

MAURITIUS

NATIONAL EXPORT STRATEGY

JEWELLERY

SECTOR

2017-2021



Republic of Mauritius



International
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Centre

This National Export Strategy (NES) is an official document of the Government of Mauritius. The NES was developed on the basis of the process, methodology and technical assistance of the International Trade Centre (ITC) within the framework of its Trade Development Strategy programme.

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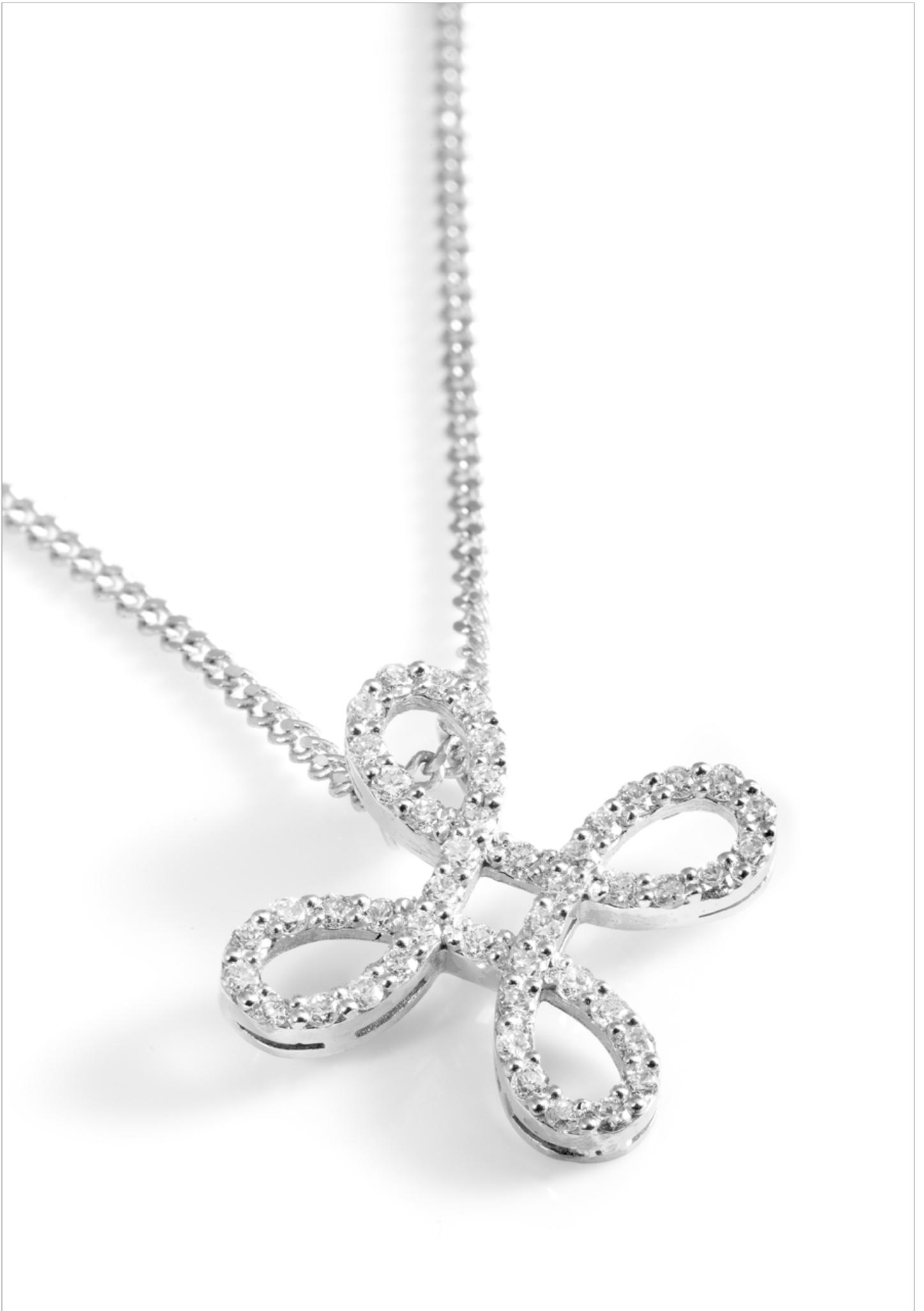
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ACRONYMS

AGOA	African Growth and Opportunity Act	MICCP	Ministry of Industry, Commerce and Consumer Protection
AMM	Association of Mauritian Manufacturers	MITD	Mauritius Institute for Training and Development
BOI	Board of Investment	MITI	Ministry of International Trade and Industry
CAGR	Compound Annual Growth Rate	MOFED	Ministry of Finance and Economic Development
COMESA	Common Market for Eastern and Southern Africa	MOI	Mauritius Oceanography Institute
EM	Enterprise Mauritius	MSB	Mauritius Standards Bureau
EOE	Export Oriented Enterprises	PoA	Plan of Action
EPZ	Export Processing Zone	PPP	Public Private Partnership
FDI	Foreign Direct Investment	SADC	South African Development Community
HRDC	Human Resources Development Council	SMEDA	Small and Medium Enterprises Development Authority
IVTB	Industrial and Vocational Training Board	TSIs	Trade Support Institutions
JAC	Jewellery Advisory Council	TSN	Trade Support Network
MAURITAS	Mauritius Accreditation Service	VAT	Value Added Tax
MCCI	Mauritius Chamber of Commerce and Industry		

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Photo: Bella bijoux.

EXECUTIVE SUMMARY

The goal of Mauritius Jewellery Strategy is to set the sector on an innovation and technology-driven growth path. This will be done by addressing constraints in a comprehensive manner and seizing concrete opportunities that can be realized through the implementation of measures and recommendations detailed in its Plan of Action (PoA). The Jewellery Strategy is an integral part of the National Export Strategy (NES) of Mauritius.

The sector's strategic orientation aims therefore at moving the jewellery sector from its current labour-intensive state to capital- and technology-intensive industry in the next five years. The short-term strategy for the next five years will thus in building on the recent export success path embraced by major export-oriented jewellery houses by improving access to modern technology and developing design and technical skills in line with demand by major international jewellery markets. In the medium-to-long term, the plan will be to bring an increased number of enterprises into the export value chain and help them offer a diversified export basket of high value added world-class jewellery products.

The PoA responds to this vision by setting three strategic objectives to support strategy implementation:

- Develop adequate human capital in line with industry and market needs,
- Improve support services and access to technology and innovation for jewellery enterprises,
- Strengthen reputation and recognition of Mauritian jewellery on international markets.

The jewellery sector has grown to become the top third manufacturing sector in Mauritius enjoying success in the domestic market as well as with renowned international buyers and brands. Mauritius jewellery production is significantly export-oriented. It is estimated that about 90% of Mauritian production is destined for international markets. Moreover, Mauritius' jewellery has earned a reputation for the quality of workmanship of the various products which include cut and polished diamond, silver and gold jewellery, electroform products, high-end fashion jewellery with Swarovski crystals, resin-based fashion jewellery, and gifts and accessories. Mauritius' dexterity for high quality jewellery production has allowed companies to supply to top world brands, including Leo Schachter and Tiffany&Co. As the industry moves forward, the emphasis is being put on the design side with the use of more sophisticated and modern production techniques, as well as in innovation.

However, the sector is characterized by important imbalances and faces challenges related to an acute shortage of skills and access to modern production technologies. The sector is comprised of 503 registered dealers, out of which 351 are small-scale traditional handicraft enterprises focused primarily on the domestic market. Only 18 companies are among Export Oriented Enterprises (EOE), which provide for half of total employment and are responsible for 58% value added generated by the sector. The sector is still very labour-intensive and faces difficulties in terms of new technology uptake and access to both unskilled and highly skilled labour in the domestic market. The production is largely characterized by traditional, unbranded fine and bridge jewellery using mostly gold and diamonds. While Mauritian operators benefit from preferential access for their products in the biggest markets for jewellery and fashion, they struggle however to come

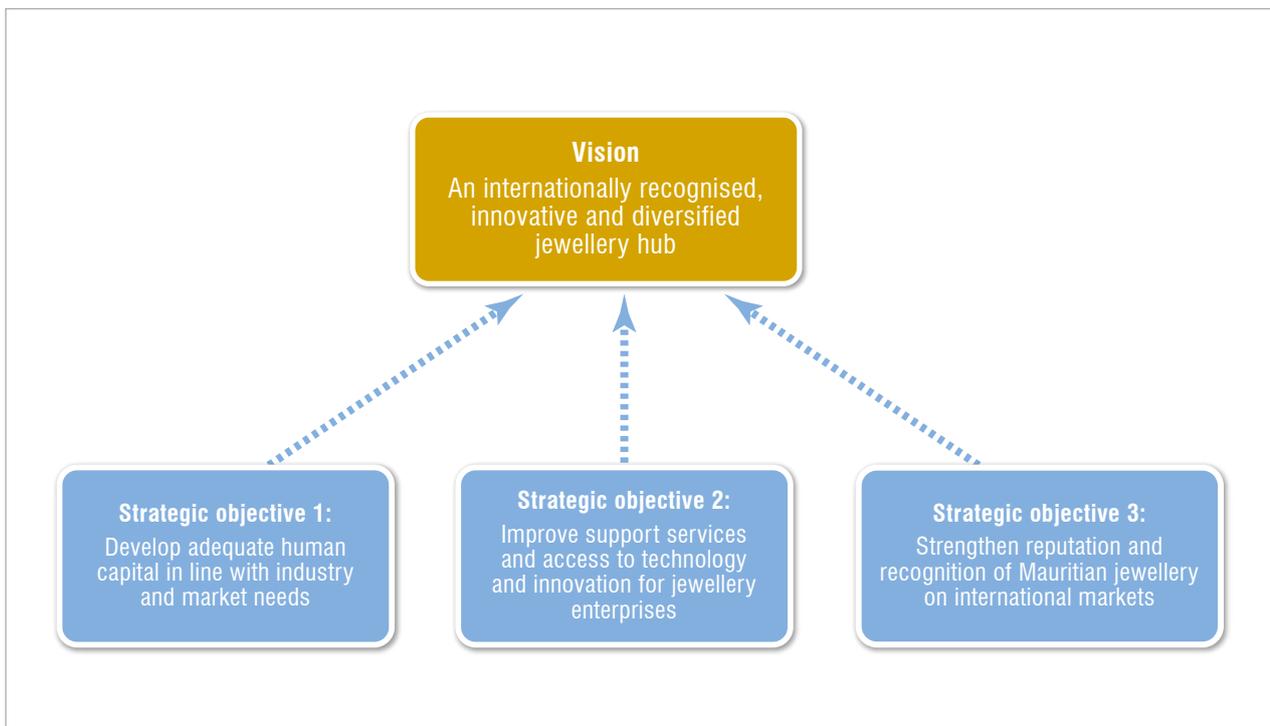
up with a diversified, differentiated and unique offering to cater to western market trends and buyers preferences, let alone to establish themselves as reliable suppliers of high-quality, unique, authentic and branded jewellery.

The sector will have to retain and improve on its current success track and to become internationally competitive and recognised by acting upon the identified challenges and seizing the opportunities emanating from emerging global market trends and from its competitive advantages. This trajectory can be achieved provided Mauritius can capitalize on its geographical location as a gateway to regional markets as well as on its current competitive advantages in terms of preferential access conditions and long-standing tradition and know-how in jewellery-making on the one hand and the mounting export success of its jewellery lead firms on the other.

The sector's strategic orientation aims therefore at moving the jewellery sector from its current labour-intensive state to capital- and technology-intensive industry in the next five years. The Jewellery Strategy therefore seeks in the

short term to improve access to modern technology and developing design and technical skills in line with demand by major international jewellery markets and to expand in the medium to long term the proportion of export-oriented enterprises able to offer a highly diversified export basket of high value added world-class jewellery products.

This strategy was the result of extensive consultations with public and private sector stakeholders leading to invaluable cooperation among sector operators. Key private sector stakeholders and leading institutions facilitated an exhaustive analysis of the sector. Market-led strategic orientations, prioritized by stakeholders and embedded into a detailed implementation plan, provide a clear road map that can be leveraged to address constraints to trade, maximize value addition and support regional integration. In addition, the inclusive approach ensured that all stakeholders were committed to the process. The Jewellery Strategy provides Mauritius with a detailed PoA to achieve growth in the sector within the next five-year period. The strategy is articulated around a **unifying vision** and **three strategic objectives** portrayed below.



INTRODUCTION

As one of the most traditional industries, the jewellery sector has experienced several changes over the past decades. Indeed, with raw material prices increasing, new consumption trends and consumers' activism on the rise, the jewellery industry is evolving continuously, often under pressure.

The jewellery industry has an approximate value of EUR 148 billion in global sales. As jewellery products belong to luxury goods, demand is mainly driven by per capita income growth. After a downturn during the global financial crisis, the world demand for jewellery has recovered and there is a positive outlook for the industry. Expected to grow at an annual rate of 5% to 6%, global sales of jewellery are estimated to reach a total of EUR 250 billion by 2020¹.

The jewellery industry is characterized by being very global, given the geographic dispersion of the global value chain. This is reflected in the extraction of raw materials, such as gold, diamonds and platinum in Africa, Canada, or Russia, to processing and producing jewellery in countries such as India, China and Turkey, to distribution

and retailing in developed countries, such as USA, the European Union, Japan and some emerging economies, such as China and India.² Thus, the jewellery sector represents an important opportunity for manufacturers from developing countries, particularly for non-branded segments such as costume jewellery (non-precious metals) and bridge jewellery (affordable gold and silver jewellery). For example, in the European market, big manufacturers such as China are losing market share to other developing countries' exporters such as Malaysia and Mauritius³.

Another key characteristic of the jewellery industry is its high level of fragmentation. It is estimated that nearly 80% of the jewellery market is unbranded jewellery. Nevertheless, as explained in the following sub-sections, this trend is expected to shift gradually, by increasing the level of market share of branded jewellery up to 30% or 40% by 2020.

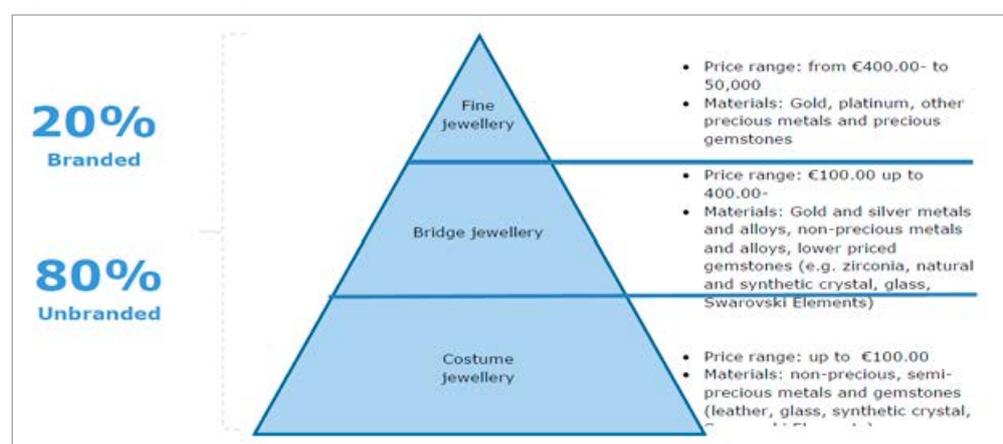
Jewellery can be categorized into three main sub-groups, in alignment with the material used for its elaboration: fine jewellery, bridge jewellery and costume jewellery.

1. Dauriz, L., Remy, N., & Tochtermann, T. (2014). A multifaceted future: The jewelry industry in 2020. McKinsey report

2. GJEPC-KPMG (2006) The Global gems and jewellery industry Vision 2015: Transforming for Growth

3. CBI (2015)a. CBI Trade Statistics: Jewellery. CBI Market intelligence, August

Figure 1: Jewellery segmentation and indicative prices



Source: CBI (2015)



Photo: *Bella bijoux.*

■ Fine jewellery is defined as jewellery made with gold, white gold, platinum and precious metals and gemstones, namely diamond, ruby, sapphire, among others. Two of the leading segments in fine jewellery are gold and diamond-based jewellery:

- Gold jewellery: Traditionally, gold has been the primary input in most of the jewellery market. About 50% of gold is used for manufacturing of jewellery, while the remaining is used for investment and industry. The largest consumers of gold jewellery are India, China and USA, accounting together for 63% of the market.⁴
- Diamonds jewellery: Although they have industrial applications, the jewellery industry is still the main engine of diamond demand (95% of total). Recent developments are fostering a closer cooperation between producers and retailers and a greater focus on emerging markets. Moreover, the increasing

integration between retailers and manufacturers of diamond jewellery is driven by an expected out-pace of diamond demand over supply. The leading players of the diamond jewellery industry are USA, China and India. Other important markets for this sub-segment are the European Union and Japan.⁵

- Bridge jewellery: At a lower price range than fine jewellery, bridge jewellery is made with relatively affordable materials, such as gold-filled, sterling silver and semi-precious stones.
- Costume jewellery: Costume jewellery has the lowest price among the three and it often incorporates non-precious materials. Its increasing demand is driven by the rising prices for gold and precious stones, growth of branded jewellery and also, a higher demand for men's costume jewellery. This product segment is influenced strongly by fashion trends.

4. Da Silva (2013). Global Value Chain Analysis of the Gold Jewellery Industry: Upgrading Trajectories for Guyana. Institute of Development Studies, University of Guyana

5. AWDC (2013). The Global Diamond Report 2013: Journey through the Value Chain, Bain & Company Inc., Antwerp World Diamond Centre Private Foundation (AWDC).

GLOBAL TRENDS IN THE JEWELLERY INDUSTRY AND TRADE

MAJOR IMPORTERS

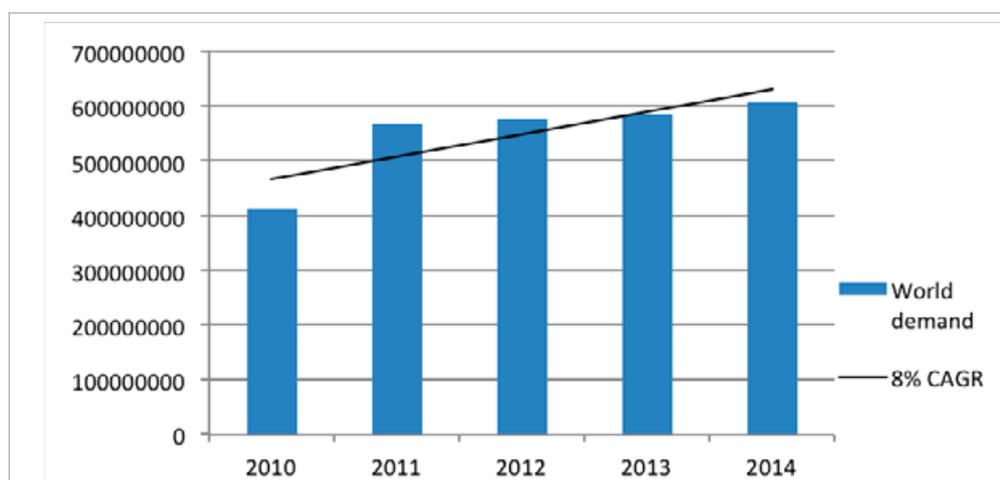
After a downturn between 2005 and 2009, world demand for precious stones, metals and jewellery (HS code 71) soared in 2010 and has been growing at an average 8% a year reaching a staggering US\$ 606.6 billion in 2014.

Three main subgroups account for the bulk of demand growth for precious stone metals. Gold (including gold plated with platinum) with an imported value of US\$ 259 billion in 2014, has shown the highest annual growth (22%) between 2010 and 2014. One of the main drivers of demand has been the tremendous rise in gold prices between 2011 and 2013. Among the precious metals, gold is most popular for the fine jewellery industry, followed by silver and platinum. Gold is particularly relevant in the Asian markets where gold jewellery is associated

with religious and family ceremonies. Accordingly, China and India are the main markets for gold jewellery, followed by USA.

Diamonds are the second most important precious stones in terms of world demand, having applications not only in the jewellery sector, but also in industry. In 2014, the global imported value of diamonds reached US\$ 134 billion. The global demand for diamonds had grown by merely 2% between 2010 and 2014. The third main subgroup is articles of jewellery. In 2014, the latter had a global imported value of US\$ 81 billion, with an annual growth of 11% during the period 2010 to 2014. Platinum and silver follow these three subgroups in importance in terms of global imported value.

Figure 2: World demand for precious stones, metals and jewellery, 2010-2014 (in thousand US\$)

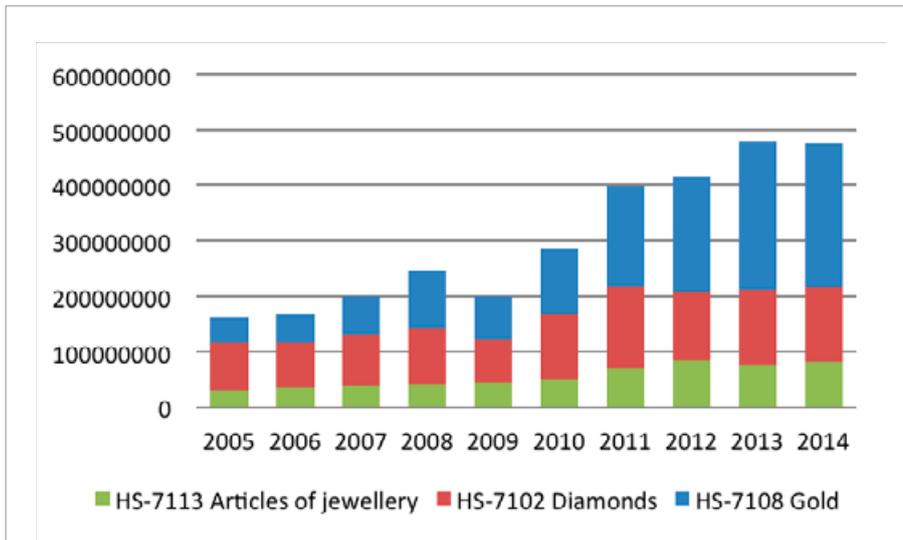


Source: ITC Trade map

Imports of precious stones, metals and jewellery are concentrated in five markets, namely Hong Kong, Switzerland, USA, India and China, followed by United Kingdom and the United Arab Emirates. Hong Kong is the largest market for this product, and accounted for an estimated of 16% of global imports valued at US\$ 98.7 billion in 2014, followed closely by Switzerland with 14% of global imports market share, with a value of about US\$ 88 billion. The average growth of imports

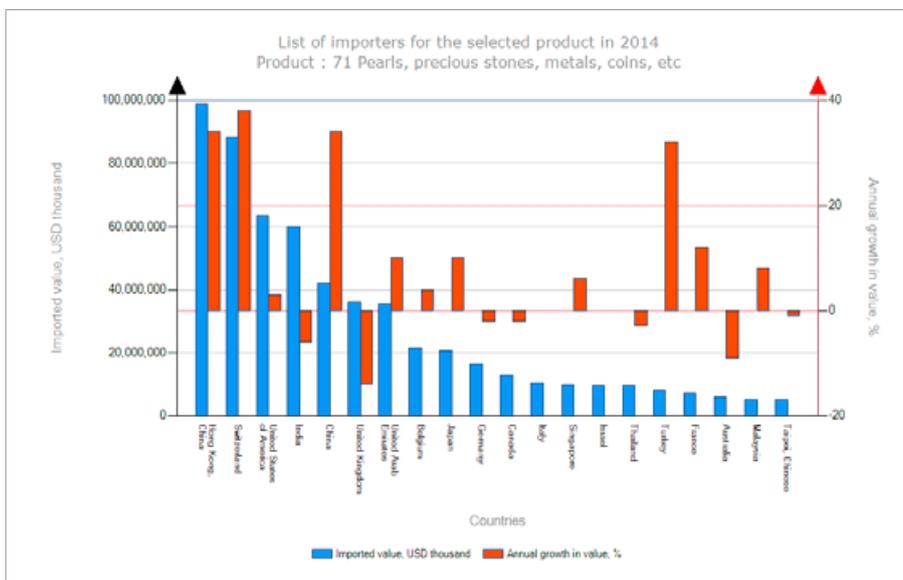
of pearls, precious stones and metals was 20% between 2010 and 2014. This substantial growth was mainly driven by a very strong demand from Hong Kong, Switzerland, China and Turkey. On the other hand, while demand from countries such as UAE, Japan, Singapore, France and Malaysia has been fairly strong, other countries, such as India, UK, Germany, Canada, Thailand, Australia and Taiwan, have shown a declining demand.

Figure 3: World demand of Diamonds, Gold, and Articles of Jewellery, 2005-2014 (in thousand US\$)



Source: ITC Trade map

Figure 4: Major importers of (HS-71) pearls, precious stones, metals, coins, 2014



Source: ITC Trade map

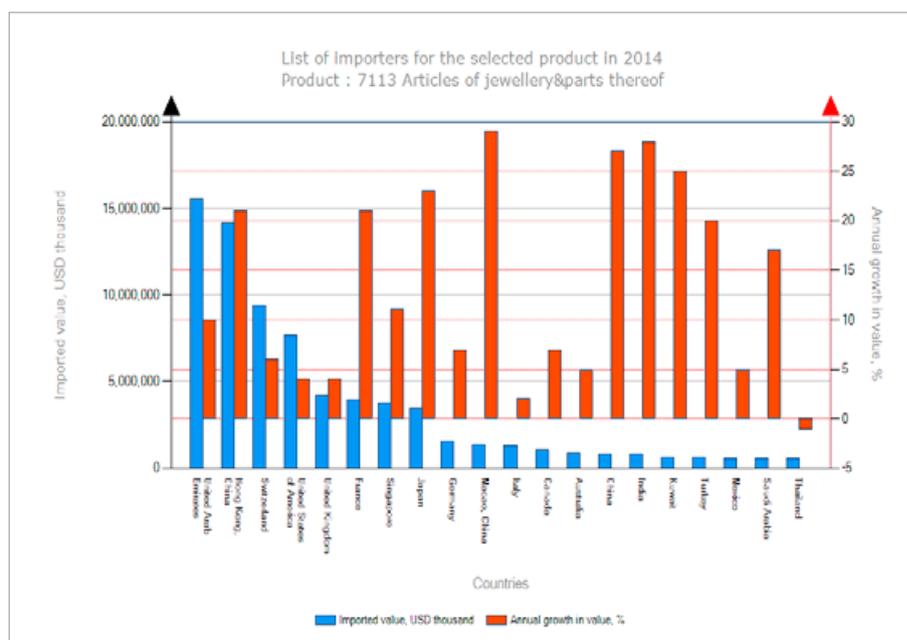
Similarly, the main importing markets for articles of jewellery (HS Code 7113) were UAE, Hong Kong, Switzerland, USA, UK, France, Singapore, Japan, Germany and Macao. According to ITC, the total global value of imports of this sub-product was about US\$ 75 billion in 2014. UAE has the largest market share of global imports, with an annual growth of 10% and a value of nearly US\$ 15 billion. During the period between 2010 and 2014, the top five fastest growing markets have been in Asia and Middle-East, namely Macao (29%), India (28%); China (27%); Kuwait (25%) and Japan (23%). It is fair to remark that although traditional markets of jewellery are still the biggest in terms of exports, demand for jewellery is shifting to the East.

On the other hand, the approximate value of total global imports of diamonds, cut and polished (HS code 710239) was US\$ 85 billion in 2014. The main importing markets of this sub-product are USA, Hong Kong, China, Belgium and Israel. The two biggest markets, USA and Hong Kong, account for over 50% of total diamond imports. While USA's importing value was roughly US\$ 24.6 billion, Hong Kong's was US\$ 19.7 billion in 2014. An important trend is that the fastest growing markets have been concentrated in Asia, such as Vietnam (73%), China (28%); and Japan (21%) between 2010 and 2014. During the same period, the demand for diamonds declined strongly in India (-33%), and also notably in UAE (-15%) and UK (-6%).



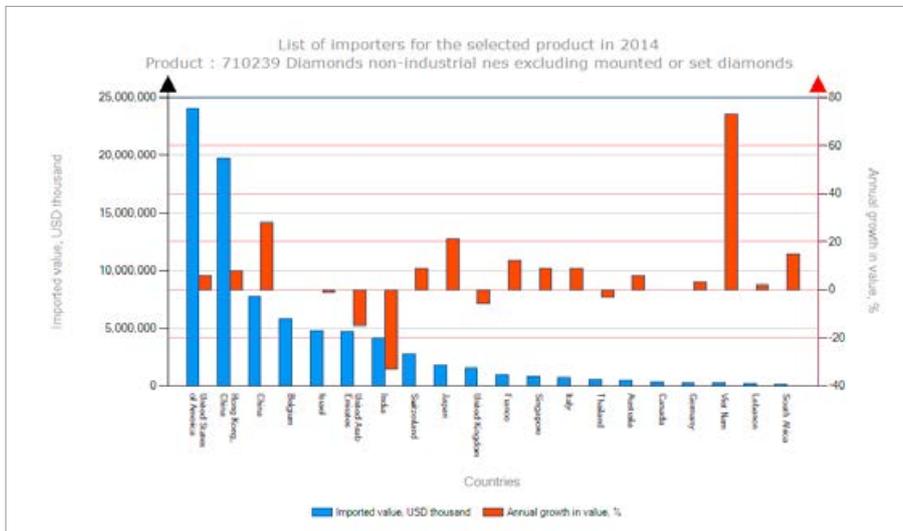
Photo: Legem.

Figure 5: Major importers of HS 7113 articles of jewellery & parts thereof, 2014



Source: ITC Trade map

Figure 6: Major importers of (HS 710239) diamonds non-industrial, 2014



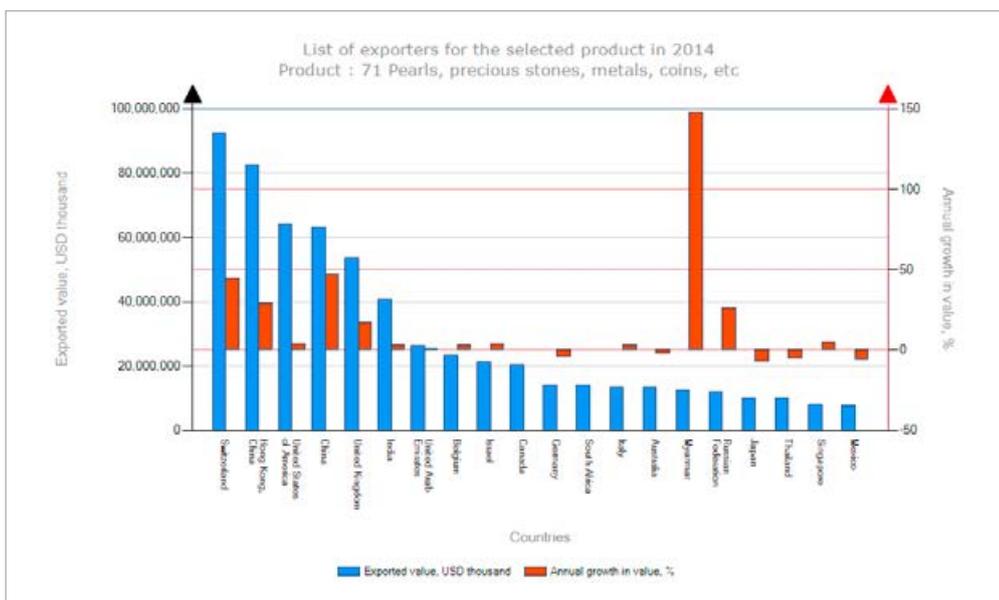
Source: ITC Trade map

MAJOR EXPORTERS

Exports of pearls, precious stones, metals, coins (HS code 71) are concentrated in five key world markets, which account for almost half of the world's sales. In 2014, the global export value of precious stones and jewellery amounted nearly US\$ 721 billion. Switzerland is the

world's largest exporter of this product, accounting for roughly 13% of global exports with an approximate value of US\$ 92 billion. Hong Kong, USA and China follow with an estimated export value of US\$ 82 billion, US\$ 64 billion and US\$ 63 billion, respectively.

Figure 7: Major exporters of (HS 71) pearls, precious stones, metals, coins, 2014

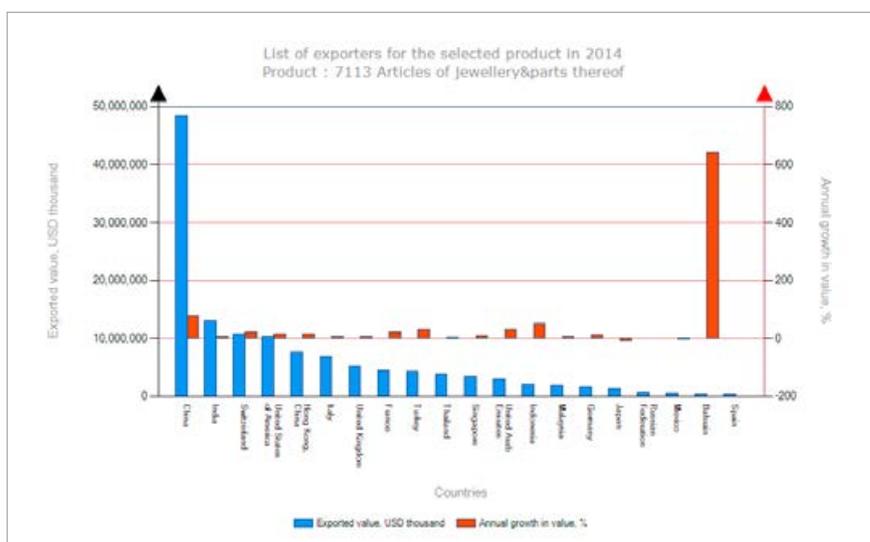


Conversely, the total exporting value of articles of jewellery was about US\$ 143.9 billion in 2014. Jewellery exports grew by 22 % between 2010 and 2014, fuelled by a strong demand from Asian countries, namely China, Hong Kong and India. In 2014, the main exporter of this product was China, with an exporting value of roughly US\$ 48.5 billion, accounting for almost 34% of market share. Other leading exporting countries of jewellery are India, Switzerland, USA and Hong Kong. Notably, many of the leading importing countries of jewellery are also leading exporters at the same time. This may indicate a strong domestic consumption and the existence of trade in different segments,

for instance high-value vs. low-value jewellery. As a result the jewellery industry presents a competitive landscape which is truly global in nature.

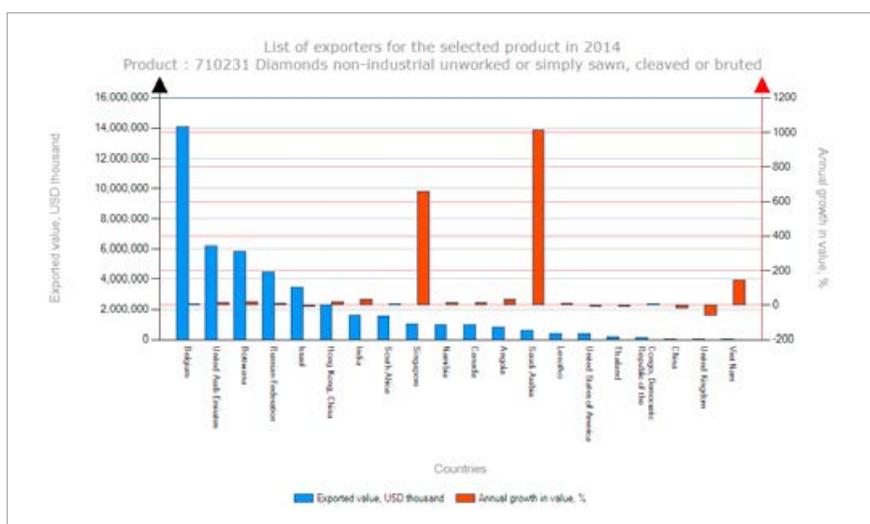
As the graph below shows, Belgium was the leading exporter of diamonds, cut and polished (HS code 710231), exporting about US\$ 14 billion in 2014. Belgium had a market share close to 30% of global exports. UAE and Botswana were the second and third largest exporters of diamonds, respectively. Both countries exported about US\$ 6 billion in 2014. Russia is another major exporter of diamonds, followed by Israel.

Figure 8: Major exporters of (HS 7113) articles of jewellery & parts thereof



Source: ITC Trade map

Figure 9: Major exporters of (HS 710231) diamonds non-industrial, 2014



Source: ITC Trade map

GLOBAL CONSUMPTION SHIFTING TO THE EAST

Greater China (Mainland, Hong Kong and Chinese Taipei) has become a major engine for global real jewellery demand growth and thus, any yearly slowdown in regional demand now has a direct impact on global value growth. Global real jewellery sales between 2009 and 2014 were driven by the demand for gold jewellery in Greater China. Worldwide real jewellery⁶ market sales reported about US\$ 300 billion, of which, Greater China contributed sales of close to US\$ 100 billion, sweeping a global share of 38%. As the graphic below shows, Greater China's contribution to the global value of sales has increased from

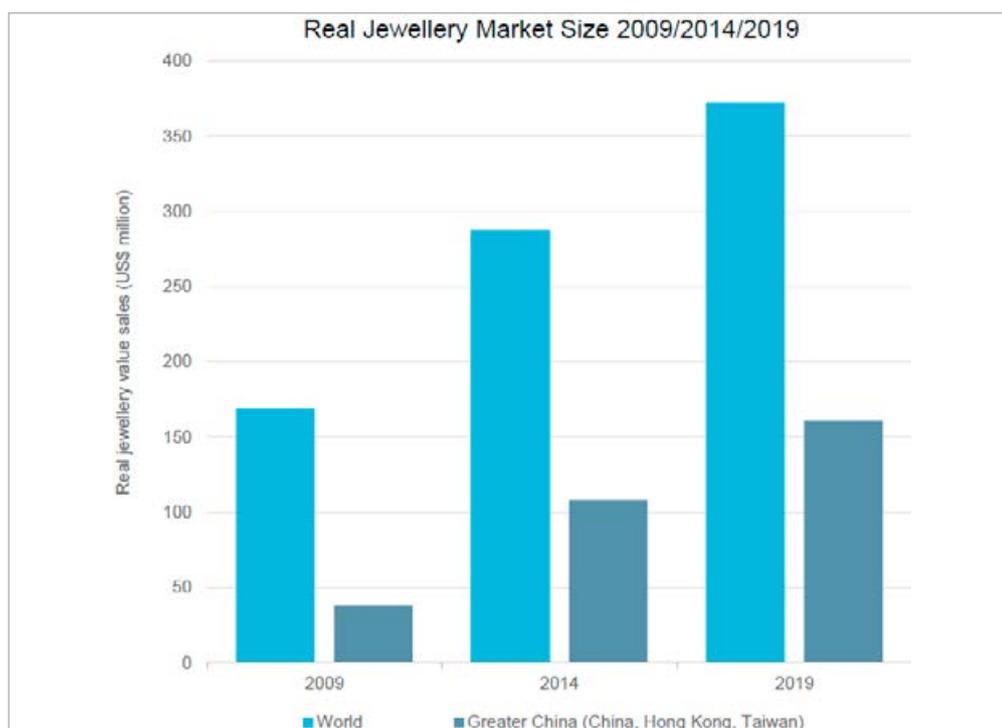
6. Items made in precious metals

22% in 2009 to 38% in 2014. Despite the recent slowdown in growth rates for Hong Kong, traditional demand in China and Chinese Taipei is expected to keep the region in a dominant position over the period 2014 to 2019. The current trend is for leading brands from China and Hong Kong to invest heavily in Chinese Taipei, as they compete with other brands, such as Bvlgari and Tiffany & Co.⁷

China's main suppliers of articles of jewellery were Hong Kong, Italy, France, USA and Switzerland in 2014. In terms of imported growth in value, all China's main suppliers showcase moderate and positive growth, except for India which exhibits a remarkable growth of nearly 230%.

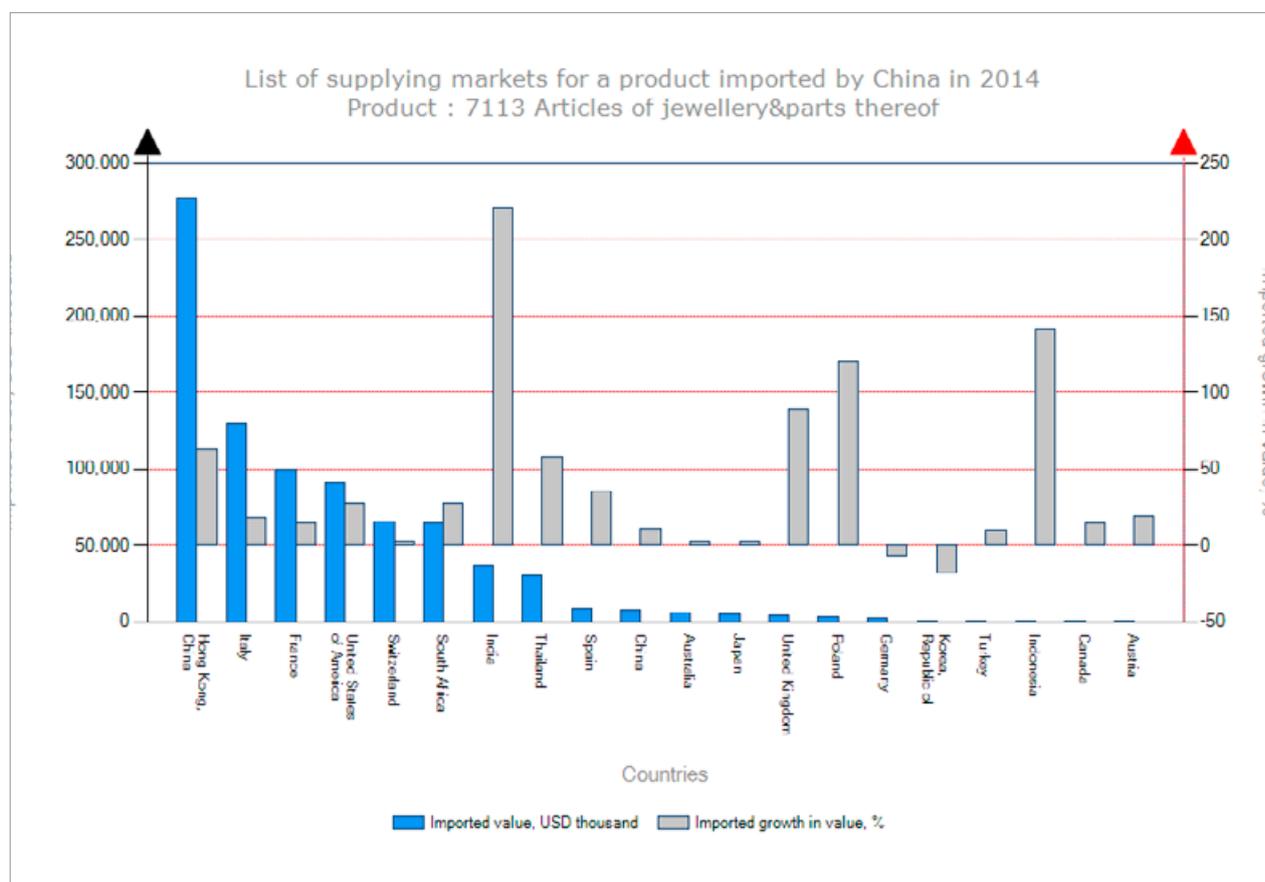
7. Euromonitor (2015)a. Positioning Jewellery Portfolio and For Future Growth May 01, 2015. New York

Figure 10: Real jewellery market size 2009, 2014, 2019



Source: Euromonitor, 2015

Figure 11: Major suppliers of HS 7112 articles of jewellery & parts thereof to China, 2014



Source: ITC Trade map

EMERGING NEW GROWTH MARKETS

Beyond China and US, there are other markets presenting great potential for consumption of costume jewellery⁸:

India

India is one of the leading consumers of real jewellery. Conversely, its costume jewellery sales are still underdeveloped. As a result, local players Sia and Estelle face minimal competition from international brands and thus, led sales of costume jewellery in 2013. Costume jewellery – catered to a price-sensitive population – is expected to have a healthy growth as branding gains importance. The graph below shows India’s absolute value in costume jewellery is estimated to grow up to nearly US\$ 1.700 billion between 2014 and 2019.

Mexico

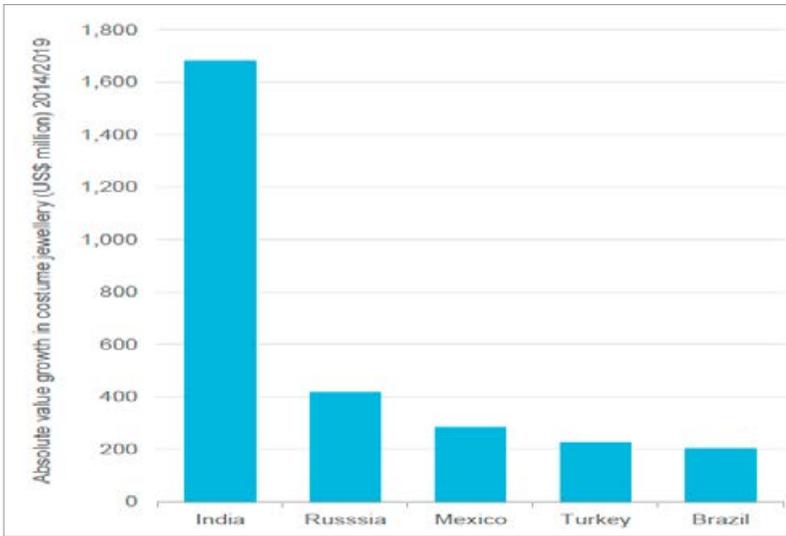
Mexico is also an emerging market with great potential for branded costume jewellery owing to its size and its business environment. In fact, Mexico is one of the few markets where costume jewellery sales exceeded sales of real jewellery in 2014.

Turkey

Turkey is another emerging market for costume jewellery consumption. So far, global brands have seen limited success, as local brands are leading the market. Hence, Turkey offers a rather fragmented marketplace, despite being one of the few markets in Western Europe with an encouraging outlook for 2014-2019.

8. Euromonitor (2015)a

Figure 12: Growth outlook for merging jewellery markets, 2014-2019 (estimate)



Source: Euromonitor, 2015

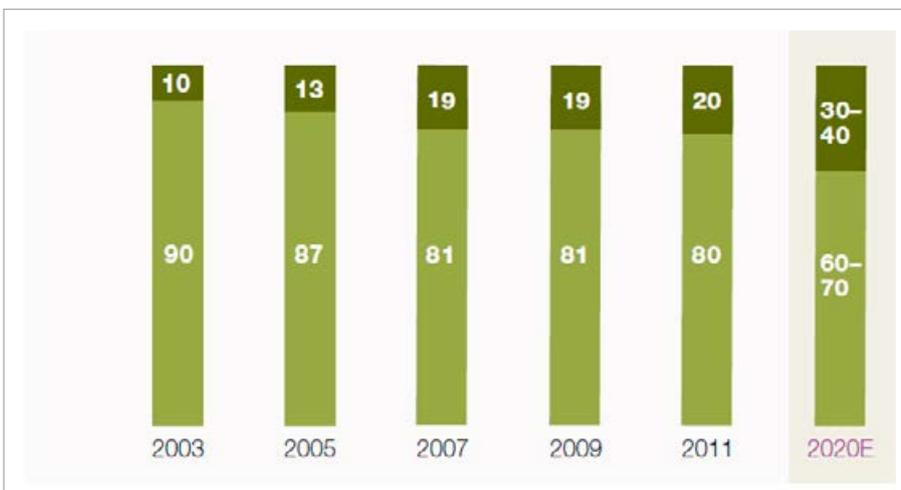
BRANDED JEWELLERY IS ON THE RISE

The jewellery industry is expected to follow a similar path as that followed by the apparel industry in terms of a significant internationalization of brands and becoming a truly global business. Currently, the jewellery industry is mainly local. Only 10 of the biggest jewellery groups have an aggregated world market share of about 12%. Branded jewellery accounts for only 20% of the jewellery market today, but this percentage is twice the market share that

branded jewellery presented in 2003. Furthermore, branded jewellery is expected to rise to 30%-40% of the market by 2020. Although in the past the expansion of the branded jewellery segment has come from established brands, the future growth in branded jewellery should come from non-jewellery players, as those groups in related fashion and luxury apparel business, such as Dior, Hermès and Louis Vuitton.⁹

9. Dauriz, L., Remy, N., & Tochtermann, T. (2014).

Figure 13: Branded vs. unbranded jewellery, 2003-2020 (estimate)



Source: McKinsey, 2014

There are three types of drivers behind the growth in branded jewellery sales. Firstly, the “new money” consumers who stimulate demand, by purchasing branded jewellery as items to showcase their newly acquired wealth, as a sign of status. Secondly, there are those consumers from emerging markets who purchase this type of jewellery, driven by the sense of trust that brands provide and as a sense of a higher lifestyle. Lastly, consumption is also driven by young people for whom brands represent a channel for self-expression and provide a sense of self-realisation.

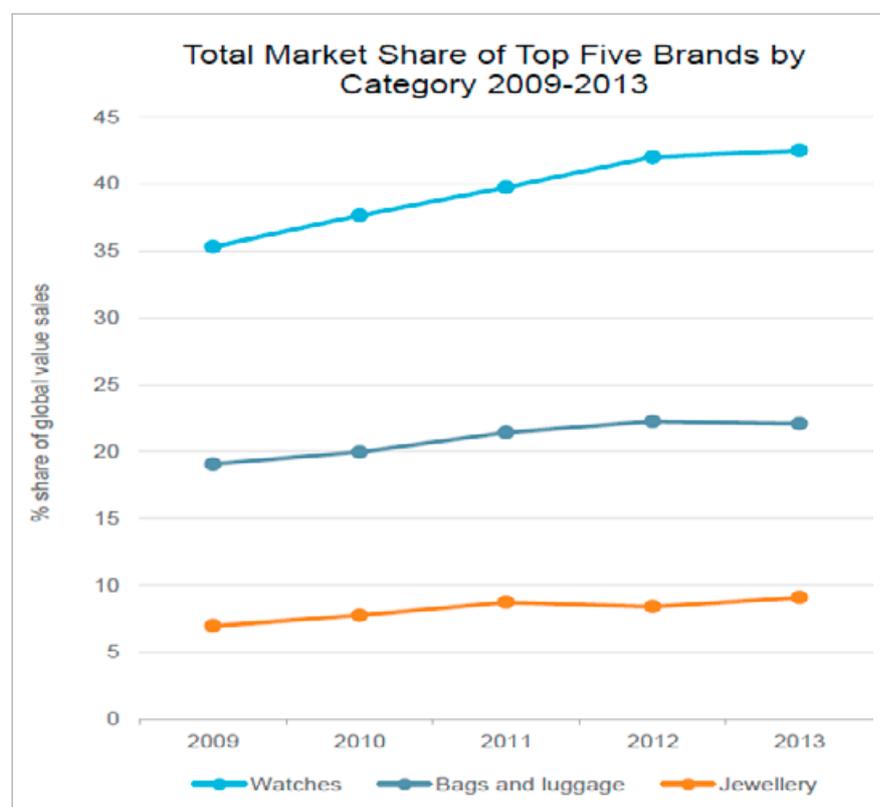
It is important to remark that both branded and unbranded jewellery markets pose opportunities for producers from developing countries. While the branded market entails higher return margins, the latter is easier for entry.¹⁰

10. Idem

FROM MARKET FRAGMENTATION TO CONSOLIDATION

When compared with the global competitive landscapes of other accessories, jewellery is the most fragmented category. As mentioned previously, as the global brands have a relatively low global market share and there is, thus, a greater reliance on local players, jewellery appears as a fragmented marketplace. To illustrate this key point, the figure below showcases the total market share of the top five brands for watches, bags and luggage and jewellery. The contrast between these industries is remarkable, as the five leading players in watches account for 42% of total market share, compared with a mere 9% in the case of jewellery. Nevertheless, it is expected that by 2020, the 10 largest jewellery companies will double their market share to 24%, mainly through the acquisition of local jewellers. A recent example is the acquisition of US retailer Ultra-Diamonds by the company British Sighet Jewellers in 2012, or the acquisition of Harry Winston by the Swiss Swatch Group in 2013. Another expected tendency is for more dynamic and innovative national or even regional brands to join the Top Global brands by 2020.

Figure 14: Total market share of top five brands by category, 2009-2013



Source: Euromonitor, 2015

RESHUFFLING OF THE DISTRIBUTION CHANNELS

The retail landscape of the jewellery industry is also expected to change. The industry will likely witness a significant growth of online sales of jewellery. Currently, online sales represent between 4% and 5% of the market today, although significant variations are exhibited across regions, brands and the type of jewellery. In this regard, fine jewellery online sales are estimated to reach nearly 10% of sales by 2020. However, given that purchasing fine jewellery relies heavily on trust and a more sensory experience, i.e. touch and feel the merchandise, online sales of fine jewellery are not expected to grow further than that. Also, fashion jewellery online sales should reach between 10% and 15% of sales by 2020. In the case of fashion jewellery, the drivers behind this growth would be affordable branded jewellery, a product segment which is more standardized. Digital retail of jewellery will thus likely keep gaining ground, considering the large numbers of luxury shoppers who use social media for information, advice and to conduct their own online research before purchasing an item.¹¹

The brick-and-mortar retail is also evolving. Offline retail of jewellery is gradually changing as big players, such as Pandora, are setting the trend. By 2012, both Pandora and Swarovski increased their retail space to 800 and 860 international locations, respectively. The growth of alternative retail channels offers opportunities for developing countries' producers. Two promising alternatives for this type of retail are mono-brand and specialised multi-brand retail. The first one allows a higher control over brands, a stronger contact with the consumer and higher

11. Idem

unit margins, while the second one provides a selected assortment of brands, although at a reduced margin for jewellery producers.

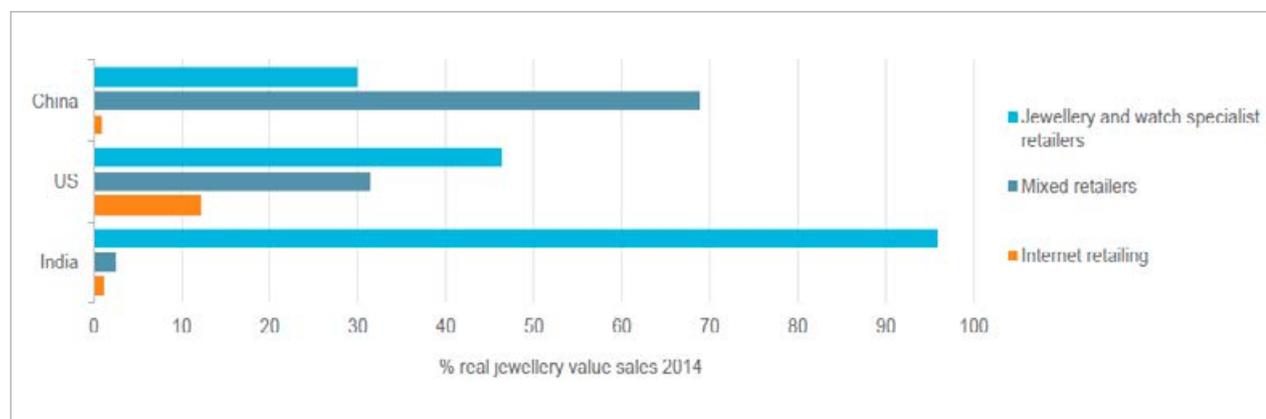
In the case of China, department stores (i.e. mixed retailers) represent the leading retail channel. In contrast, for the USA market, jewellery specialist retailers have the largest market share, although followed relatively closely by mixed retailers. Moreover, internet retailing has over 10% of market share and it is the fastest growing channel. For India, the jewellery market relies heavily on jewellery specialist retailers, which represent over 90% of its distribution channels.¹²

FASHIONABILITY AND ACCELERATION OF SUPPLY-CHAIN PROCESS

In a similar manner, as the garment industry has witnessed a dramatic acceleration of trend changes with a consequent adaptation of their supply chain, a clear fashionability trend is already taking place in the fashion-jewellery segment. In other words, jewellery players will likely emulate the fashion industry by reacting quickly to new trends, producing as a mass-market industry with fresh items continuously flowing, i.e. reducing their production cycle times and short product life cycle. Emerging players, such as H&M have already introduced rapidly changing jewellery-and-accessories collections with prices ranging from EUR 20 to EUR 300. However, this fast-forward trend has not yet reached the fine jewellery industry.

12. Euromonitor (2015)a

Figure 15: % real jewellery value sales for select markets by category, 2014



Source: Euromonitor, 2015

CURRENT CONTEXT OF JEWELLERY INDUSTRY

In Mauritius, jewellery production is an important industry with a remarkable export potential. In light of the considerable scope for the sector, the Mauritian Government has provided policies to foster its development. Additionally, the liberalization of the economy has also supported the diversification of the economic base expanding the manufacturing sector to jewellery production, among other light manufacturing subsectors¹³. As a result, exports of jewellery from Mauritius have increased significantly over the years.

Until comparatively recent times, Mauritius' manufacturing sector was dominated by textiles and sugar production. One of the first policies aimed at diversifying the economy was the creation of Export Processing Zone (EPZ) in the 1970s, a system to provide incentives to stimulate foreign direct investment (FDI) and know-how transfer and technology into the country. The EPZ was part of an industrial development strategy which had the objective of targeting new areas of manufacturing besides textile production, including jewellery production.

The establishment of the Mauritius Freeport Authority (1992) continued spurring exports and supported the promotion of the country as a regional warehousing, distribution and marketing centre, transforming Port Louis into a "value-added port". Mauritius Freeport's processing activities include jewellery and precious stones for their export to the African and Indian Ocean markets.¹⁴

In 2006, as the EPZ regime changed to that of an Export Oriented Enterprises (EOE), the jewellery industry started expanding from being operated by small-scale businesses to export-oriented companies.

Moreover, in recent years, the Mauritian Government enacted a law to foster the export development of the jewellery sector through the Jewellery Act 2007, which falls under the responsibility of the Assay Office. The Jewellery Act 2007 sets the ground for the regulation and control of manufacturing, sales and importation of jewellery made of gold, silver and platinum, and the identification and grading of gemstones.¹⁵

In recognition of the importance of foreign investment in the industrialization process, the Mauritian Government established the Board of Investment (BOI) to lure investors from new sources into emerging sectors, including jewellery.

Other significant actions to stimulate the Mauritian jewellery industry include¹⁶:

- Removal of all duties on the importation of jewellery plant, equipment, raw materials and components,
- Removal of import duties on jewellery,
- Liberalization of the import of gold,
- VAT exemption on gold,
- Threshold for VAT registration is MUR 6 million,
- Refund of VAT paid on purchases made by tourists holding a foreign passport,
- Establishment of the School of Jewellery.

In 2016 as a result of stakeholder consultations for the design of the NES, the Government took further key measures to promote the jewellery sector:

Introduction of Air Freight Rebate Scheme to reduce by 40% shipping cost to Europe,

- Establishment of a Commodity Exchange for trade in diamonds, gold and other precious stones and metals,

13. Ghosh R. and Driesen, I. (1994). Recent economic growth in Mauritius: Impact on Labour and the Labour Market. University of Western Australia, Discussion Paper 95.06

14. Government of Mauritius (2014) Investment Climate Statement: Mauritius 2014

15. Government of Mauritius (2015) Assay Office to provide new services

16. Enterprise Mauritius (2016) "Jewellery sector"

- Introduction of 3D printing technology at two technologies and removal of VAT on 3D printers,
- Budgetary and legislative measures to introduce new activities such as refinery of gold, producing of gold bars, setting up of top-end jewellery processing units and vaulting facilities.

According to Ministry of Industry, Commerce and Consumer Protection¹⁷, the number of registered jewelers is currently 503 and the number of export-oriented enterprises (EOEs) in the jewellery sector is 18. Further, the gross output of the export-oriented enterprises in the jewellery sector was nearly RMU 857.2 million (at basic prices) in 2014.¹⁸ Table 2 displays the production account of the export-oriented enterprises in the jewellery sector in 2014.

STRUCTURE OF THE SECTOR

Having started as a sector dominated by small-scale operators producing basic products for the local market, jewellery production in Mauritius has exhibited an evolution and gradual increase over the years until becoming the third largest manufacturing sector in the country.

17. Strategic Roadmap for the jewellery sector 2016-2019, Ministry of Industry, Commerce and Consumer

18. Statistics Mauritius 2014, Strategic Roadmap for the jewellery sector 2016-2019, Ministry Of Industry, Commerce and Consumer

Table 1: Key indicators of the jewellery sector, 2016

No. of registered jewelers	503
Total sector employment	3,081
No. of Export Oriented Enterprises (EOEs)	18
Employment in (EOEs)	1,300

Source: Ministry of Industry, Commerce and Consumer Protection

Table 2: Mauritius Production account of the EOE, jewellery sector, 2014 (R million)

Industry	Gross output at basic prices	Intermediate consumption	Value added at basic prices	as % of gross output	Compensation of employees	Taxes on productivity	Gross operating surplus	as % of gross output
Jewellery, and other related articles	857.2	364.2	493.1	58%	233.8	3.1	256.1	30%

Source: Statistics Mauritius, 2015

Table 3: Employment by product group and sex: December 2014 - December 2015, EOE jewellery sector

Industry	December 2014				December 2015			
	No. of enterprises	Male	Female	Total	No. of enterprises	Male	Female	Total
Jewellery and related articles	15	446	808	1,254	15	473	848	1,321

Source: Statistics Mauritius, 2015

From the stand-point of export orientation, the jewellery sector in Mauritius today can be segmented in three broad categories of enterprises¹⁹:

1. The first and largest group is composed of about 350 domestic jewellers and micro-to-small enterprises, involved mainly in the production of gold and silver jewellery for the domestic market only;
2. The second group is composed of about 17 jewellers who have the potential to be export-ready in the medium term., some of which have the capacity to become export-ready in the medium term.
3. The third group is composed of about 18 jewellers engaged in export, who comply with western or international standards, out of which 9 are successfully exporting and have the capacity to adjust to high buyer requirements.

The last segment of the jewellery industry represent export-oriented enterprises (EOEs), which account for almost half of total sector employment and boast 58% value added as well as 30% gross operating margin at the sector level, making the Jewellery sector third highest-ranking industry group among EOEs. The export-oriented companies are highly competitive not only by Mauritian but also by international standards.

Although disaggregation of employment by sex is not available at the industry level, it is important to note that among those jewellery enterprises in the EOE sector, the proportion of female employment is almost double that of male employment. This is an indication that sector growth would have strong implications for gender issues.

Mauritius is currently specialized in diamond cutting, polishing and processing, and manufacturing of gold and silver jewellery, precious or semi-precious stones. Mauritius' product line includes rings studded with diamonds, earrings, brooches, bangles, necklaces, chains, hollow chains, mechanical chains, pendants, anklets, swivels, clasps and spring rings.

It is estimated that about 90% of Mauritian production is exported to international markets. Moreover, Mauritius' jewellery has earned a reputation for the quality of workmanship of the various products which include cut and polished diamond, silver and gold jewellery, electroform products, high-end fashion jewellery with Swarovski crystals, resin-based fashion jewellery, and gifts and accessories. Mauritius' dexterity for high quality of jewellery production has allowed companies to supply to top world brands, including Leo Schachter and Tiffany&Co.

As the industry moves forward, the emphasis is now on the design side with the use of more sophisticated and modern production techniques, as well as in innovation.

CURRENT VALUE CHAIN OPERATIONS

The current value chain of the Mauritian jewellery sector is presented in Figure 1. The description of the value chain below enables a better understanding of the specific stages, from raw material supply to all activities of production and processing, required to bring jewellery to the market. Understanding the dynamics of the value chain is essential to understanding the issues affecting performance of the sector.

INPUT SUPPLY

Major production inputs for jewellery manufacturers include diamonds, pearls, coloured gemstones, gold, precious metals such as silver and platinum, and non-noble metals. The supply chain for inputs is heavily dominated by imports, as Mauritius' mineral production is rather small.

Diamonds, in a rough, unworked state are the main raw material imported for Mauritian jewellery production. Diamonds are imported mainly from Canada, Russia and Tanzania. Gold is the second most important raw material for the production of jewellery articles. Gold (unwrought) is primarily imported from France. Further, silver (unwrought) is supplied to a large extent by Italy, South Africa and Germany. On a smaller scale, pearls (natural or culture) are imported mainly from France. Mauritius does not have a culture of pearl production either. Another metal used by traditional jewellers in Mauritius is titanium, mostly destined for the local market.

19. Segmentation based on 2015 jewellery industry export-orientation audit commissioned by Enterprise Mauritius, updated for 2016 figures.

TRADING

Diamonds

The first stage of the diamond-based jewellery production is the sorting and evaluation of rough diamonds. This activity implies the sorting of diamonds into different categories, according to their carat, cut, clarity and colour.

Sorting is a valuable step in the diamond-based jewellery production. This first step is followed by the sale of primary rough diamond.

Table 4: *Sorting and Valuing Diamonds*

Carat (Weight)	Cut (Model)	Clarity (Quality)	Colour
Carat refers to the weight of a diamond (0.2 gr.) <ul style="list-style-type: none"> • Special Stones: 10.8 carats and above • Large Stones: 1.8 carats – 10.79 carats • Grainers: 0.66 carats – 1.79 carats • Smalls: 0.65 carats & below 	Rough diamonds categories: <ul style="list-style-type: none"> • “Sawable” • “Makeable” 	Measure of number, size, position and type of impurities, inclusions or cracks within the stone.	Most common: from colourless to yellow and brown Rare colours: blue, orange, pink and red

Source: Diamond Trading Company Botswana (2013)

Pearls and coloured gemstones

In a similar manner, pearls and coloured gemstones are also sorted and graded. Gem quality pearls are weighed and sorted according to their size, colour, surface characteristics and lustre. The latter is the most important indication of the pearl's quality. The lustre refers to the glowing appearance of its surface, being evaluated by their capacity to reflect light. The second most important characteristic that determines a pearl's value is the shape. The more round a pearl is, the higher its value. Notably, a pearl's size is also a determinant factor for its value. After the precious stones are sorted, they are sold.

diamond-bladed edges or discs lined in diamond dust. Diamond cutting and polishing involves five stages: planning, cleaving, bruting, polishing and inspecting.

- Planning: understand best possible shapes for the diamond to minimize waste
- Cleaving: split the rough diamond into separate pieces
- Bruting or girdling: round the separated rough stones
- Polishing: create and form the facets of the diamond
- Inspecting: revision of the diamond according to specifications of manufacturer

Gold and precious metals (silver, platinum)

The extraction of gold is different from the above-mentioned raw materials. After its extraction, the ore is crushed to reduce it to a manageable size for further processing. Gold also follows a process called concentration which increases the amount of gold in ore or sediment, by removing lighter particles.

In terms of cutting and polishing diamonds, Mauritius specializes in highest quality cuts of pear, marquise, oval, brilliant, round and princess-shaped diamonds.

Once the diamonds are cut and polished, they are traded to manufacturers for jewellery fabrication.

Pearls and coloured gemstones

The cutting and polishing of coloured gemstones vary depending on the stone. Generally, two main cuts for stones are possible: stones cut as smooth and stones cut with a faceting machine. Coloured gemstones are less popular for jewellery manufacturing in Mauritius.

PROCESSING AND TRADING

Diamonds

The sorted and graded diamonds are sent to the cutting and polishing workshops. As diamonds are the hardest material, only a diamond can be used to cut another diamond. Thus, tools in workshops would include



Photo: mgm12.

Gold and precious metals (silver, platinum)

The next step in the gold-based jewellery process is smelting. Smelting serves to remove impurities from gold. Smelting is a two-step process. First, the processing of raw ore is done by pulverizing the gold into fine particles and then melting the gold to burn off impurities. Second, chemicals are introduced to separate gold from other minerals. This pure gold is then refined and traded for jewellery fabrication.

FABRICATION

The first step for jewellery fabrication is to create the design of the final product. Later, gold or any other metal being used is manipulated (melted, bent, cut and shaped) to recreate the jewellery design.

After this stage, the diamonds or other gemstones are set into the metal. A polishing and finishing process follows before the product is distributed to its final market.

DISTRIBUTION AND MARKETING

The distribution stage is the process in which finished jewellery is sold to the end customer. In Mauritius, jewellery is distributed to the domestic as well as the international markets. In the case of the domestic market, Mauritian jewellery producers have three distribution channels, namely jewellery specialist shops, authorized retailers and established brands and non-store jewellery shops.

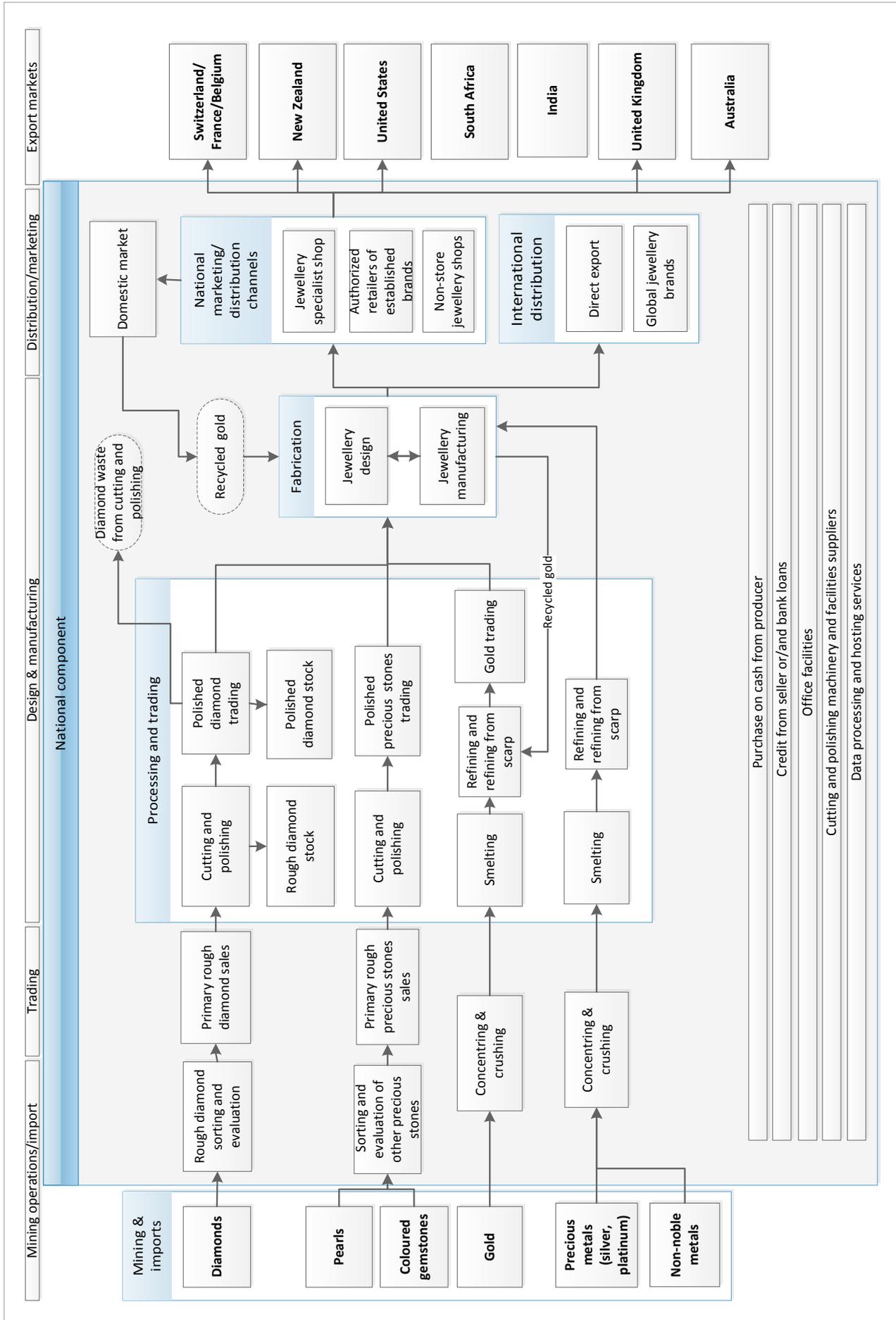
Mauritian jewellery producers that sell their products internationally typically use two distribution channels: direct export or retailing through global jewellery brands.

EXPORT TO MARKETS

Mauritian exporters sell their products in foreign markets that include Switzerland, Belgium, France, United States, South Africa, India, UK and Australia, among others. There are about 50 exporters of jewellery in Mauritius, currently exporting to 35 countries.

Mauritian jewellery producers have top global jewellery brands among their international clients, such as Leo Schachter, David Yurman, Swarovski, Leachgarner, Rio Grande, Shourouk, O. C. Tanner, Tiffany, Leo Schachter MS Chains, Selected findings, LVMH, Dinh Van and Schofer.

Figure 16: Mauritius current jewellery value chain



MAURITIUS EXPORT PERFORMANCE

Mauritius' jewellery industry has undergone some major changes throughout the years, and it has now become a dynamic and promising sector for the national economy. The sheer economic importance of the sector has led it to become the third economic manufacturing pillar of the country. Jewellery is also a sector which presents great export potential, as 30 to 45 companies are active exporters and supply high-end products for world-wide famous brands such as Swarovski, Tiffany, Gucci, Chanel and Leo Schachter.

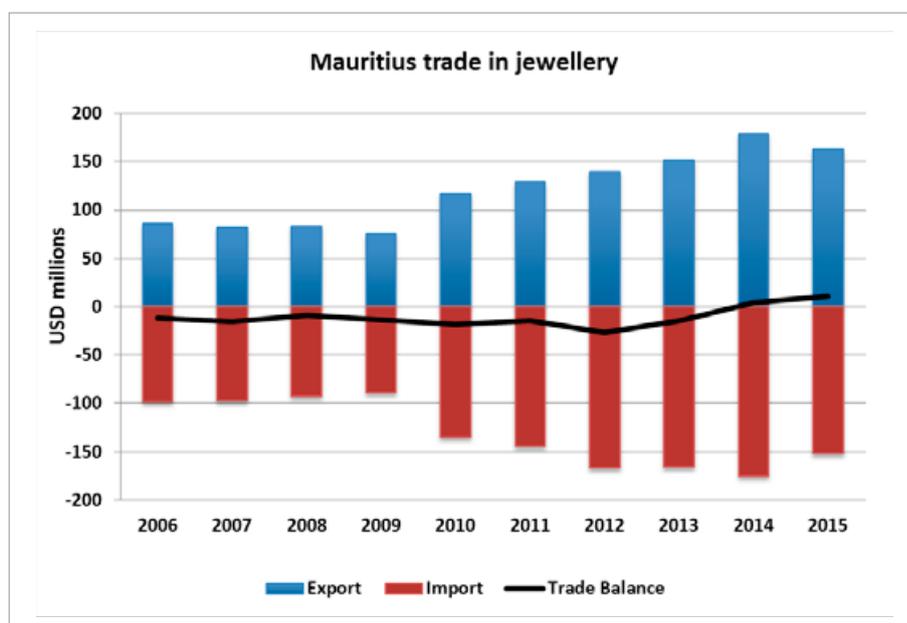
Mauritius' total exports of jewellery have witnessed an upward trend from 2005 peaking at US\$ 179 million worth of exports in 2014 and dropping slightly to US\$ 173 million 2015. Mauritius' exports represent 0.03% of world exports for this product. Its ranking in world exports was 87 in 2015. The exported value of jewellery had an average growth rate of 7% between 2011 and 2015. The jewellery sector accounted for 6.7% and 7% of total exports of Mauritius in 2014 and 2015 respectively. However, the sector has been showcasing a trade deficit between 2006 and 2013. It became a net exporter in 2014.

JEWELLERY EXPORT BASKET

Mauritius' main exporting products under this category were worked diamonds with a value of US\$ 112.8 million; followed by articles of jewellery valued at about US\$ 39 million and imitation jewellery with an approximate value of US\$ 10.2 million.

The country's main import products in this category were diamonds in rough with a value of US\$ 102.1 million, followed by gold and articles of jewellery, both for an approximate value of US\$ 24 million, and precious and semi-precious stones valued at nearly US\$ 9 million. Mauritius imports of diamonds in rough are supplied primarily by Canada (US\$ 36 million), followed by Russia (US\$ 17 million) and Tanzania (US\$ 5 million). Main suppliers of gold were France (US\$ 19.4 million), Switzerland (US\$ 2 million) and South Africa (US\$ 1 million) in 2014. France was also the main supplier of articles of jewellery for Mauritius with an approximate value of US\$ 16.3 million in 2014.

Figure 17: Trade balance in the jewellery sector, 2006-2015



Source: Source: ITC Trade map

Table 5: Mauritius jewellery export basket and trade indicators, 2010-2014

HS Code	Product label	Trade Indicators					
		Exported value 2014 (US\$ thousand)	Trade balance 2014 (US\$ thousand)	Annual growth in value 2010-2014 (% p.a.)	Annual growth of world imports 2010-2014 (% p.a.)	Share in world exports (%)	Ranking in world exports
	All exports	2,662,999	-2,944,224	8	5	0	127
	Jewellery exports	179,251	3,815	-	-	-	-
7102	Diamonds, not mounted or set	112,805	-3,176	24	2	0.1	29
7113	Articles of jewellery & parts thereof	39,034	15,120	-3	11	0	48
7117	Imitation jewellery	10,201	6,873	2	5	0.1	38
7108	Gold unwrought or in semi-manuf forms	9,726	-13,850	143	22	0	102
7104	Syn/reconstr prec/semi-prec stones, not strg/mounted/set	4,035	-1,557	-24	18	0.3	20
7112	Waste & scrap of precious metal	2,026	2,026	-12	2	0	80
7103	Precious & semi-precious stone, not strug	1,419	-150	70	66	0	53
7106	Silver, unwrought or in semi-manuf. form	5	-1,471	-53	-2	0	102

Source: ITC Trade map

MAURITIUS EXPORT DESTINATIONS – ARTICLES OF JEWELLERY (HS-7113)

As previously mentioned, articles of jewellery amounted US\$ 39 million in 2014. Most of the articles of jewellery exported by Mauritius are classified as articles of jewellery of other precious metals (not silver), which account for about 90% of exports in this category. In 2014 and 2015, Viet Nam was the largest importer of Mauritian jewellery, driven by its consumption of diamonds (not mounted or set).

In 2015, Viet Nam accounted for nearly half of Mauritius' exports of jewellery. Traditionally, France has been the main importing market of Mauritius' jewellery until 2013, followed by USA, Belgium and Switzerland. In 2014, France's imports of Mauritian jewellery amounted nearly US\$ 33.6 million which accounted for 19% of total imports.

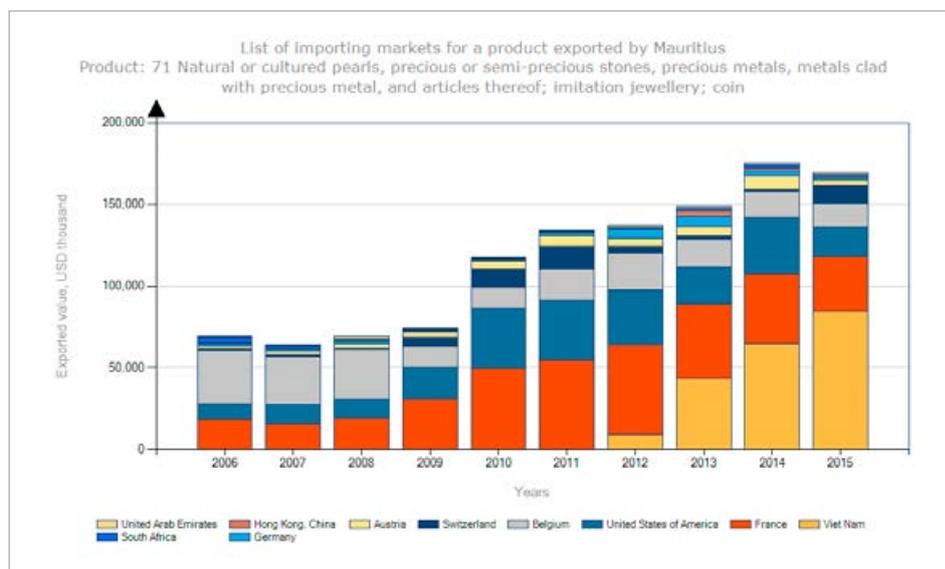
Traditional markets for Mauritian jewellery are France, Italy and USA, while emerging markets are China, India and Turkey. Mauritius' export destinations are fairly well diversified covering some 20 markets for jewellery alone. However, the country's exports are heavily concentrated in one market. In detail, France accounted for US\$ 33 million (84.8% of exported value) in 2014, whereas USA imported merely USD 2.4 million and Italy USD 726,000 which represented 6.5% and 1.8% of exported value, respectively.

Regional competition of articles of jewellery (HS-7113)

On a regional level (Common Market for Eastern and Southern Africa), Mauritius is an absolute and unrivalled leading exporter of articles of jewellery. Mauritius accounted for nearly 80% of total COMESA's exports of articles of jewellery in 2014. Nonetheless, countries such as Ethiopia, Seychelles and Kenya are fast growing regional exporters, with impressive growth rates.

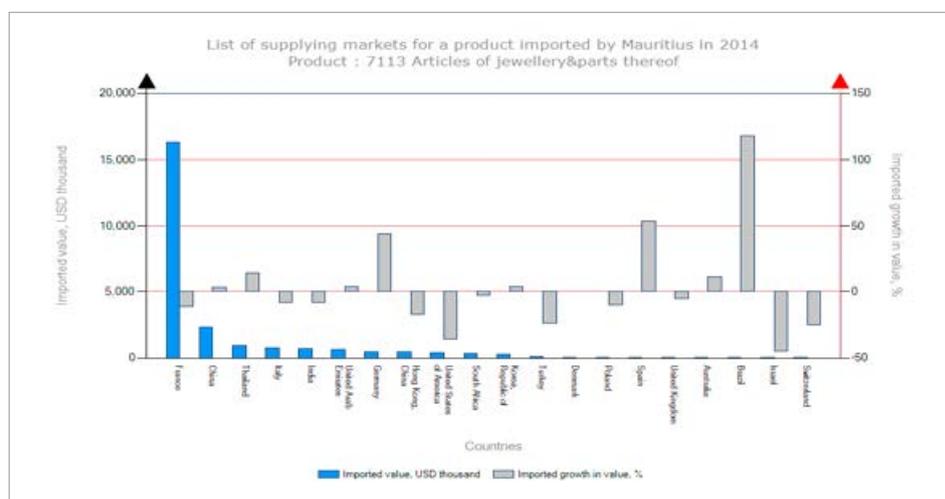
However, the landscape changes by examining exports from the overall African region. Then, South Africa dominates exports of diamonds at the regional level with over US\$ 570 million exports, accounting for 57% of market share. Botswana and Mauritius account for 27% and 11.4% of market share, respectively.

Figure 18: Top 10 export destinations for Mauritian jewellery, 2006-2015



Source: ITC Trade map

Figure 19: Regional competition of articles of jewellery (HS-7113), 2014



Source: ITC Trade map

Mauritius' exports of diamonds (HS-710239)

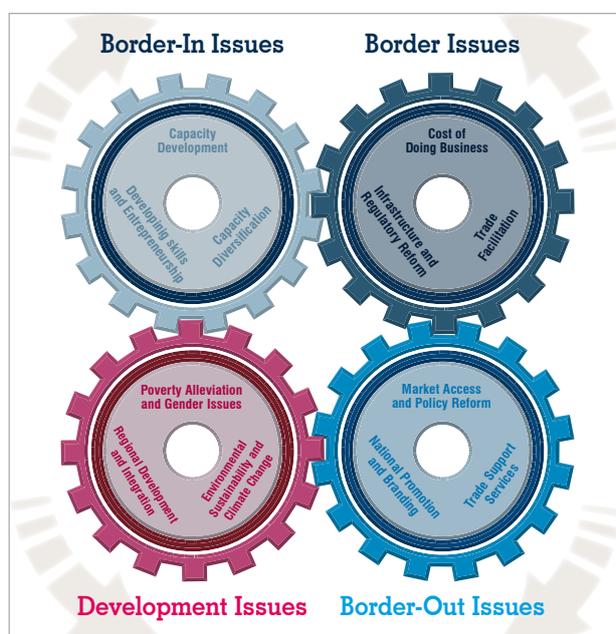
Mauritius' exports of diamonds amounted to about US\$ 112 million in 2014 and the country ranked 20 in world exports in 2015. For this particular product line (HS code 710239), there is a positive trade balance. Nevertheless, overall trade balance at HS code 7102 level is negative. Mauritius' export destinations for diamonds are notably more concentrated. Only three markets account for 99.8% of Mauritian exports. Viet Nam has emerged as

the main destination for diamond exports, but only since 2012. Notwithstanding, Viet Nam has presented constant and fast growth during the past few years. If Viet Nam is set aside, then USA and Belgium account for 42% of diamond exports in 2014. Further, other market destinations are fairly diversified, although they do not feature significant export values.



Photo: Karlay.

COMPETITIVE CONSTRAINTS AFFECTING THE VALUE CHAIN



Traditionally, the scope of trade strategies has been defined in terms of market entry, such as market access, trade promotion and export development. This ignores several important factors in a country's competitiveness. For an export strategy to be effective it must address a wider set of constraints, including any factor that limits the

ability of firms to supply export goods and services, the quality of the business environment and the development impact of the country's trade, which is important to its sustainability. This integrated approach is illustrated by the four gears framework schematic on the right.

Supply-side constraints

Supply-side issues impact production capacity and include challenges in areas such as availability of appropriate skills and competencies, diversification capacity, technology and low value addition in the sector's products.

Business environment constraints

Business environment constraints are those that influence transaction costs, such as regulatory environment, administrative procedures and documentation, infrastructure bottlenecks, certification costs, internet access and cost of support services.

Market access constraints

Market entry constraints include issues such as market access, market development, market diversification and export promotion.

Social constraints

Social constraints include issues related to poverty reduction, gender equity, youth development, environmental sustainability and regional integration.

SUPPLY-SIDE CONSTRAINTS

Box 1: Supply-side constraints

- *Slow technology uptake limits productivity and innovation among firms*
- *Low level of knowledge about modern design and product development techniques*
- *Gold price increases impact price competitiveness of traditional jewellers heavily*
- *Lack of adequate technical vocational training*
- *Unavailability of skilled and semiskilled labour in the jewellery sector*
- *Enterprises face obstacles to finding local labour and obtaining permits for immigrant workers*

Slow technology uptake limits productivity and innovation among firms

Many Mauritian jewellery manufacturers are failing to acquaint themselves with the newest technology. As an example, top global brands in the jewellery sector have acquired Direct Metal 3D printing. This technology is believed to revolutionize the industry through digital manufacturing, i.e. printing directly with metal. However, enterprises in Mauritius have not even acquainted themselves to 3D prototyping and printing. As a consequence, companies are placing themselves at a competitive disadvantage.

- **Severity:** ●●●●○
- **Value chain segment:** Fabrication
- **PoA reference:** Activities 1.3.1., 2.2.1, 2.3.1. and 2.4.3.

Low level of knowledge about modern design and product development techniques

The lack of original jewellery design in Mauritius is acute and affects the capacity of Mauritian jewellery producers to meet the demand of international buyers, brands and customers. As experiences in trade fairs have shown international buyers and customers are looking for original, appealing or unique designs, which differentiate the product from other offerings. This situation is mostly explained by the cultural background of the vast majority of Mauritian jewellery companies, which is based on traditional training of artisans and by the mostly traditional use of jewellery as an investment. Finally, the limited technical training capacity also limits the exposure of traditional artisans to global market trends and modern design techniques. Only large Mauritian exporting enterprises can afford to train their technical staff internally or to sponsor specific training in European technical or design schools.

- **Severity:** ●●●●○
- **Value chain segment:** Fabrication
- **PoA reference:** Activities 1.1.1., 1.1.2., 1.2.2., 3.1.1. to 3.1.3., 3.6.1. to 3.6.3.

Gold price increases impact price competitiveness of traditional jewellers heavily

The great majority who are traditional jewellers, using low-tech techniques, depend on the local market and the tourists visiting the country. Along with the global financial crisis, the increase in the price of gold has affected the capacity of jewellers to export their products. As a result, some jewellers look to finding alternative metals, i.e. non-noble metals, to more expensive precious metals. However, they face limitations owing to their lack of knowledge on techniques to work with these metals in addition to the uncertainty about the market for this type of jewellery.

- **Severity:** ●●●●○
- **Value chain segments:** Inputs supply, export
- **PoA reference:** Activities 1.2.1. to 1.2.4., 2.3.1., 2.3.2., 2.4.1., 3.1.1.-3.1.3., 3.6.1.-3.6.3.

Lack of adequate technical and vocational training in the sector

The School of Jewellery of Mauritius (Mauritius Institute for Training and Development) has a limited capacity to train jewellery technicians and artisans. Its current capacity is limited to 30 to 40 trainees every two years. These trainees, however, do not all find their way to the industry as some of them gravitate to more attractive jobs in other sectors thus exacerbating the shortage of skilled labour in the jewellery sector. Moreover, the school is not teaching advanced technologies, such as direct metal 3D prototyping and printing and modern design techniques required by international buyers and customers. In general, the issue of inadequate technical training in jewellery also stems from a lack of collaboration and dialogue between training institutions and the industry, which in turn limits the capacity to satisfying current market needs and anticipating future developments.

- **Severity:** ●●●●●
- **Value chain segments:** Fabrication
- **PoA reference:** Activities 1.1.1. to 1.2.4.



Photo: Europe-Exports-Retro-Fashion-Jewelry-Crystal-Simulation-Gemstones-inlaid-Pearl-Ring-Atmosphere-font-b-Party-b.

Unavailability of skilled and semi-skilled labour in the jewellery sector

The jewellery sector, part of the traditional manufacturing sectors in Mauritius, is affected by the same issues as were identified on a broader cross-sector scale, including the phenomenon of progressive disinterest from younger Mauritians. The sector and especially its SMEs mostly rely on internal firms' training when receiving new workers. On the side of training institutions, there is no critical mass of trainees to widen the scope of the training offering. Specific areas requiring skills development support were identified by the Jewellery Council and these are design and stone setting. These are now being offered by the Mauritius Institute of Training and Development (MITD), but with a low trainee turnover capacity. Firms also need to sponsor their employees for such courses owing to the limited demand. The acute shortage of skills leads to high turnover of employees in firms and to frequent poaching of trained workers among sector enterprises.

- **Severity:** ●●●●●●
- **Value chain segment:** Fabrication
- **PoA reference:** Activities 1.2.1. to 1.2.4.

Enterprises face obstacles to finding local labour and obtaining permits for immigrant workers

Larger firms that export to big retailers in Europe tend to import foreign workers since they cannot access the required skills locally. Indeed there is an important difference in the design and techniques between local traditional small manufacturers and the larger exporting enterprises. Skill sets required by both segments of the sector are extremely diverse, especially regarding design. If SMEs manage to build up skills for their own workers themselves to maintain a constant quality and design level, the larger firms do not find adequately trained employees in Mauritius and most rely on imports of workforce. However, firms face problems on this front too. Indeed work permits are issued in the "skilled worker" category, which restricts the possibilities to cover for the poor local lack of low-skilled/specialized workforce.

- **Severity:** ●●●●●●
- **Value chain segment:** Fabrication
- **PoA reference:** Activities 1.3.1 to 1.3.2.

BUSINESS ENVIRONMENT CONSTRAINTS

Box 2: Business environment constraints

- *Mauritius' electricity sector performs well but the cost of electricity supply is high*
Persisting black market and illicit practices affect business reputation in the jewellery sector
- *Lacking capacities of the Assay Office to support the jewellery sector adequately*
- *Poor access to affordable financing for SMEs to renew and upgrade production technology*
- *Administrative burden penalises the capacity of jewellery companies to export*

Mauritius' electricity sector performs well but the cost of electricity supply is high

Along with good performance of electricity supply and complete coverage of the entire population, service quality is also good with limited blackouts, and the sector is mostly self-financing through tariffs with limited public subsidies. However, the average price of electricity is high when compared with similar islands and represents around 8.2% of income for the poorest households. In addition, gas is broadly used for cooking and represents an additional 2.9 percent of income of the poorest quintile.²⁰

- **Severity:** ● ● ○ ○ ○
- **Value chain segment:** Fabrication
- **PoA reference:** Activities 1.3.1., 2.1.1., 2.2.1.

Poor access to affordable financing for SMEs to renew and upgrade production technology

Despite a growing private banking and financial sector in Mauritius offering most modern financing instruments to SMEs, Mauritian jewellery enterprises fail to access sources of funds adequately at competitive rates. Public financing schemes for production and exports have only become available to SMEs in the most recent past. Poor access to finance for cash financing also limits working capital available to jewellery SMEs and results in low productivity and factory efficiencies, especially for small jewellers. Consequently, limited access to finance has limited the ability of the Mauritian jewellery sector to upgrade technology, achieve scale and move from a labour-intensive to a capital-intensive industry model. Only a few large enterprises have achieved this.

- **Severity:** ● ● ● ○ ○
- **Value chain segment:** Fabrication
- **PoA reference:** Activities 2.1.1., 2.2.1., 2.4.1. to 2.4.4.

Administrative burden penalises the capacity of jewellery companies to export

A range of administrative hurdles specifically affect the segment of exporting or export-ready jewellery companies. These hurdles include high freight charges owing to long physical distances from buyers in main export markets such as Europe and North America, limited affordable export insurance schemes for high value jewellery products, as well as the lack of VAT exoneration for raw materials (except gold and silver), inputs, components and equipment for jewellery production, especially one requiring high, as well as complicated customs procedures for exports. These hurdles also add up to high production and export costs, thereby reducing export competitiveness especially of small-sized jewellery companies, vis-à-vis much cheaper Asian jewellery exports.

- **Severity:** ● ● ● ● ○
- **Value chain segments:** Inputs supply, fabrication, distribution and marketing, export
- **PoA reference:** Activities 3.2.1., 3.3.3., 3.5.1. to 3.5.3.

20. World Bank, Mauritius: Systematic Country Diagnostic, June 2015, Report No 92703-MU, p. 53-54.

MARKET ACCESS CONSTRAINTS

Box 3: Market access constraints

- *There is a need to develop further own identity in jewellery design*
- *Insufficient knowledge on the latest trends in the jewellery global market*
- *Poor visibility as a supplier of jewellery products limits Mauritius potential to source key markets*
- *Limited awareness on trade preferences among retailers poses a barrier to their exploitation by jewellery enterprises*
- *Challenges in maximising benefits from available export promotion programmes*
- *Difficulties in complying with rules of origin and technical requirements for jewellery exporters*

There is a need to develop further own identity in jewellery design

To compete in the international market, Mauritian jewellers need to develop an identity through the design of their own collections. Currently, Mauritian jewellery does not have another identity than that of the traditional and cultural jewellery. A stronger sense of identity among jewellers could be beneficial to diversify exports beyond traditional markets and to create cooperation and a healthier competition among jewellery manufacturers. Thus, a sound effort to promote and capacitate a culture of design focused on jewellery is a key requirement to develop the sector further.

- **Severity:** ●●●●○
- **Value chain segments:** Fabrication, distribution and marketing, export
- **PoA reference:** Activities 1.1.1., 2.3.3., 3.1.1. to 3.1.2., 3.4.1., 3.4.2.

Insufficient knowledge on the latest trends in the jewellery global markets

Underlying the lack of identity in jewellery design is an insufficient knowledge of the latest trends in jewellery products at the international level. To propel Mauritian jewellery internationally, further support is needed to enable enterprises to respond quickly to fast changing trends.

- **Severity:** ●●●●○
- **Value chain segments:** Fabrication, distribution and marketing, export
- **PoA reference:** Activities 1.1.2., 3.1.1., 3.1.2., 3.7.1.

Poor visibility as a supplier of jewellery products limits Mauritius' potential to source key markets

In spite of the recognised high quality of Mauritian jewellery, the national label of jewellery is still unknown in key markets, such as USA. This constrains the capacity of Mauritius to be seen as a sourcing destination of jewellery. As the abilities in the sector to diversify and add value to jewellery production increase, marketing will play a significant role in promoting Mauritius as a reliable sourcing country in target markets. An underlying cause is the absence of a coherent marketing strategy to tap such target markets. This occurs as a result of exporters often overlooking the potential of these markets.

- **Severity:** ●●●●○
- **Value chain segments:** Distribution and marketing, export
- **PoA reference:** Activities 3.1.1., 3.1.2., 3.3.1. to 3.4.2.

Limited awareness on trade preferences among retailers poses a barrier to their exploitation by jewellery enterprises

Mauritius participates in several trade preferences regimes, such as the African Growth and Opportunity Act (AGOA). AGOA is a trade agreement signed between USA and Sub-Saharan African countries, which provides the latter with substantial trade preferences. By virtue of this agreement, almost all Mauritian goods, including jewellery, virtually enter the USA market as duty-free. Nonetheless, there is a lack of awareness about this preferential access, among French/European jewellery retailers based in USA. As a result, some companies are paying an unnecessary duty of about 17% to USA

customs for Mauritian products that have been granted preferential tariffs.

- **Severity:** ● ● ● ● ○
- **Value chain segments:** Distribution and marketing, export
- **PoA reference:** Activities 3.3.1., 3.3.2., 3.7.1.

Challenges in maximising benefits from available export promotion programmes

Despite opportunities offered by Mauritian Trade Support Institutions (TSIs) to enterprises to participate in trade missions, fairs and exhibitions, the jewellery sector in particular is faced with specific issues related to the participation in trade fairs. Whereas it has been recognised that regular and repeated presence in major trade fairs and specialised exhibitions in key export markets is a must for export-oriented jewellery companies to maintain and expand business and visibility, most small-sized artisanal producers find it hard to afford the cost of participation and also do not qualify in terms of matching the high level of international buyer requirements for design, collections, production quality, consistency of supply as well as price. Furthermore, stakeholders agree that to be more effective, export promotion programmes need to take place in the medium to long run with systematic follow-up actions. One-off events must be avoided. There is a need to be based in key or major events to maximise impact and to overcome the absence of permanent exhibition in major export markets.

- **Severity:** ● ● ● ○ ○
- **Value chain segments:** Distribution and marketing, export
- **PoA reference:** Activities 3.1.1., 3.1.2., 3.3.1. to 3.3.4.

High cost of ATA carnets and security deposits hinders participation and visibility in trade fairs

One major hindrance highlighted by operators are the combined costs of security deposits and fees required for the issuance of the ATA carnets for temporary admission of goods for exhibition purposes or trade missions. Procuring an ATA Carnet requires 30% deposit of the value of samples. In the case of gold and diamond jewellery these deposits may run into a few hundreds of thousands of US\$, which impacts on the cash flow situation of companies. Companies therefore tend to reduce the amount of samples they can bring to trade fairs, which in turn limits their exposure and potential deals and ultimately the effectiveness of their trade fair participation.

- **Severity:** ● ● ● ○ ○
- **Value chain segments:** Distribution and marketing, export
- **PoA reference:** Activity 3.3.3.

Difficulties in complying with rules of origin and technical requirements for jewellery exporters

It has been reported by operators in the jewellery sector that complying with rules of origin as well as technical requirements such as product testing and proof of conformity in certain key export markets was very challenging and represented a specific burden for jewellery exporters. In particular, testing for heavy metal content such as nickel to comply with the EU REACH Regulation is particularly burdensome for Mauritian jewellers. These issues have been confirmed by the 2014 survey of enterprises conducted by ITC about non-tariff measures to trade, which noted that “Testing measures were reported for jewellery and medical appliances and instruments (three cases and one case respectively). Specifically for jewellery, where the complaint involved a partner country, Reunion Island, the issue was that the measures were considered too strict and difficult to comply with. In Reunion Island, all products of this type must be tested to verify their content.”²¹

- **Severity:** ● ● ● ○ ○
- **Value chain segments:** Distribution and marketing, export
- **PoA reference:** Activities 3.2.1., 3.5.1.-3.5.3., 3.7.1.

21. ITC (2014), Mauritius: Company Perspectives – An ITC Series on Non-Tariff Measures. Geneva: ITC, 2014, p.71 and 76.



SOCIAL AND ENVIRONMENTAL CONSTRAINTS

Box 4: Social and environmental constraints

- *Sectors that require lower skills are declining, threatening the inclusiveness of growth*
- *Unattractive sector for the new generation*

Sectors that require lower skills are declining, threatening the inclusiveness of growth

The manufacturing industry has increased its productivity considerably at the cost of shedding 20% of its workforce since 1990, mostly in the textile sector and despite new subsectors such as food processing adding substantial new jobs. This trend is unlikely to be reversed given the restructuring of the economy and fierce international competition.

- **Severity:** ●●●●○
- **Value chain segments:** Fabrication
- **PoA reference:** Activities 1.3.1., 2.1.1., 2.2.1.-2.2.4.

Unattractive sector for the new generation

In relation to the scarcity of skilled labour, young people do not see jewellery as a sector of opportunity. Underlying causes are that the jewellery sector is not being marketed enough as a sector which can provide interesting job prospects and young people are not encouraged sufficiently to learn about jewellery and get employed in the sector.

- **Severity:** ●●●●○
- **Value chain segments:** Fabrication
- **PoA reference:** Activities 1.1.1., 1.1.2., 1.2.1.-1.2.3., 1.3.1., 2.1.1., 2.2.1.-2.2.4., 3.4.2.

INSTITUTIONAL FRAMEWORK

The jewellery sector as a subset of light manufacturing sector is regulated and supported by a number of key institutions illustrated in table 66.

Table 6: Trade support institution network in the jewellery sector

Policy support institutions	
Ministry of Industry, Commerce & Consumer Protection (MICCP)	<p>Function and services provided:</p> <ul style="list-style-type: none"> • Promotes industrialisation through policy formulation (industry division), • ,Regulates imports and exports (commerce division), • Promotes commercial activities, • Consumer protection. (consumer protection division).
Assay Office	<p>Function and services provided:</p> <ul style="list-style-type: none"> • Assaying of gold, silver and platinum jewellery and their alloy, • Verification and identification of precious and semi-precious stones, • Grading of diamonds, • Registration of jewellers dealing in gold, silver, platinum jewellery and precious or semi-precious stones, • Valuation service whereby the gold content of jewellery is valued and a valuation certificate is delivered.
Mauritius Standards Bureau (MSB)	<p>Function and services provided:</p> <ul style="list-style-type: none"> • Responsible for standardization, quality assurance, testing and metrology, • Operates a certification marking scheme for products, • Custodian of the national measurement standards and offers calibration services, • National Enquiry point for WTO/TBT matters.
Mauritas	<p>Function and services provided:</p> <ul style="list-style-type: none"> • Provides accreditation services to testing/calibration laboratories, inspection bodies and certification bodies operating certification of products, personnel and management systems.
Trade services institutions	
Mauritius Chamber of Commerce and Industry (MCCI)	<p>Function and services provided:</p> <ul style="list-style-type: none"> • Participates in the elaboration of strategies and policies meant to enhance the economic and social development processes of the country - including the jewellery sector, • Organizes meetings with MCCI members of the jewellery sector on specific issues and has representation with authorities to facilitate business, • Maintains structured forms of dialogue with the public authorities through JAC and MCCI.
Small and Medium Enterprises Development Authority (SMEDA)	<p>Function and services provided:</p> <ul style="list-style-type: none"> • Supports and facilitates the development of entrepreneurship and SMEs in Mauritius, • Provides core support services, particularly entrepreneurship development, business facilities, counselling and mentoring services, • Implements and operates a registration scheme for SMEs, • Operates a pre-market test and certification scheme.

Trade services institutions (cont.)**Enterprise Mauritius (EM)**

Function and services provided:

- Provides export promotion services,
- Provides trade information services ,
- Capacity building in design product development
- Go export programme for jewellery
- Provides exporter programmes to build export capacities of jewellery enterprises.

School of jewellery/ Mauritius Institute of Training and Development (MITD)

Function and services provided:

- Main technical education and design school for jewellery in Mauritius,
- Provides technical education in jewellery at three different levels

Human Resource Development Council (HRDC)

Function and services provided:

- Responsibility to look after and promote the development of labour force in Mauritius, in line with the requirements of a fast growing economy.
- Provides skills development programmes in high-tech Micro-Mechanics for the jewellery, watch & diamond industry.

Business Support Institutions**Federation of jewellers**

Function and services provided:

- Main business association body regrouping enterprises on the jewellery sector,
- Dialogue platform and advocacy for the private sector.

Jewellery Advisory Council (JAC)

Function and services provided:

- Advisory function regarding the development of the jewellery industry.

The most relevant ones have been plotted in the Table 7 according to the perception of stakeholders in terms of the institutions' importance to the sector and their capacity to fulfil their mandates as they relate to the jewellery sector. Most of the institutions listed have a very high influence on the sector, and respond well to the sector in carrying out their mandate. The BOI, MCCI, and MICCP, the Assay Office, MAURITAS, SMEDA and EM contribute in successfully promoting the jewellery sector.

However, capacity building at the Assay Office is important. International accreditation of the MAURITAS is being sought so that product testing requirements can be met locally. To fill the skills gap in the jewellery sector, it will be critical to revamp technical education and training by strengthening and expanding the capacities of the School of Jewellery, which operates within the Mauritius Institute of Training and Development.

Table 7: Institutional assessment for the jewellery

		Capacity of the institution to respond to the needs of the sector	
		Low	High
Capacity to influence the jewellery sector	High	<ul style="list-style-type: none"> • Assay Office • MAURITAS • MSB • JAC 	<ul style="list-style-type: none"> • MCCI • MICCP • HRDC • EM
	Low	<ul style="list-style-type: none"> • School of jewellery • Federation of jewellers 	<ul style="list-style-type: none"> • SMEDA



Photo: K Jalloo.

THE WAY FORWARD

The jewellery sector in Mauritius has grown to become one of the major manufacturing subsectors in the country enjoying success on the domestic market as well as with renowned international buyers and brands. While Mauritian operators benefit from preferential access for their products on the biggest markets for jewellery and fashion, they struggle however to come up with a diversified, differentiated and unique offering to cater to western market trends and buyer preferences, let alone to establish themselves as reliable suppliers of high-quality, unique, authentic and branded jewellery. The sector will have to act upon the identified challenges and seize the opportunities emanating from emerging global market trends and from its advantages to remain on its current successful track and become internationally competitive and recognised.

VISION

In this perspective, a common vision for all sector stakeholders will guide the path to reach the objectives set by this strategy to develop and promote the jewellery sector over the next five years. The vision will also provide a basis for consensus among the different stakeholders to lay out the main fields of intervention. During consultations for the design of the National Export Strategy, key stakeholders have formulated and agreed upon the following vision statement for the jewellery sector in Mauritius:

“ An internationally recognised, innovative
and diversified jewellery hub ”

STRATEGIC OBJECTIVES

The vision driving jewellery sector strategy – ‘an internationally recognised, innovative and diversified jewellery hub’ – will be realised through the achievement of three strategic objectives, which result from the analysis of competitiveness constraints and the opportunities identified by jewellery sector stakeholders. The strategic objectives are in turn articulated around specific operational objectives underpinned by individual activities set forth in the strategy PoA, the implementation of which is sequenced in short-term, medium- and long-term measures. The three strategic objectives set for the jewellery sector in Mauritius are as follows:

Strategic objective 1: Develop adequate human capital in line with industry and market needs

One of the biggest challenges facing the jewellery sector in Mauritius is the scarcity of unskilled and skilled labour on the Mauritian market. Therefore, the strategy has set, as its first objective, the goal of developing adequate human capital in line with industry’s current and anticipated needs. To address the constraints related to availability and quality of labour, the strategy endeavours to upgrade public vocational training in jewellery and to enhance the quality of training at the enterprise level while allowing for more flexibility to use foreign labour. This strategic objective will be implemented in sync with the skills development cross-sector functions of the NES.

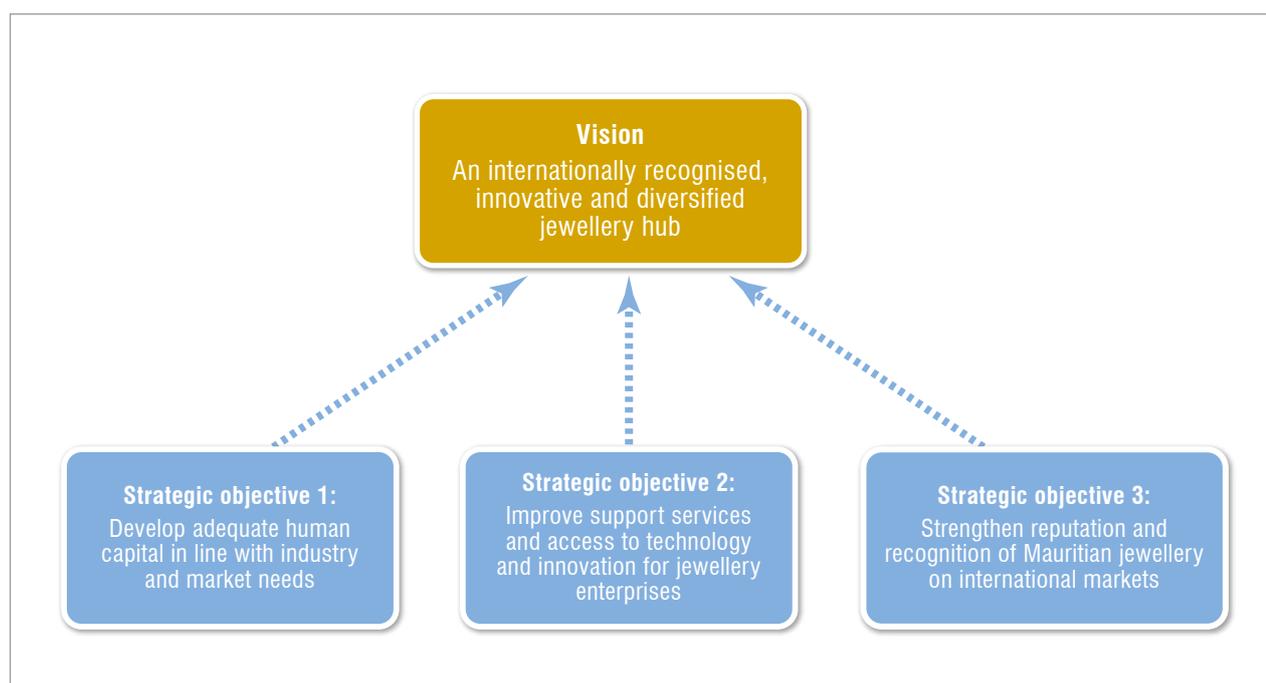
Strategic objective 2: Improve support services and access to technology and innovation for jewellery enterprises

The technology challenge is the other major binding constraint limiting the competitiveness of the jewellery sector in Mauritius. To tackle the technology challenge, this second strategic objective is aimed at fostering the emergence of support industries and providing high-tech services for technology upgrading and innovation in the sector through better access to modern design and product development techniques. The rationale and long-term goal here is to push the sector up the value chain from a current labour-intensive to a capital-intensive, high-tech and high-value business model through investment promotion, access to finance and the development of R&D capabilities and technology parks. This strategic objective will be implemented in sync with the innovation and skills development cross-sector functions of the NES.

Strategic objective 3: Strengthen reputation and recognition of Mauritian jewellery on international markets

Despite its long standing tradition and know-how in the making of jewellery as well as the recent success as a supplier of world famous international jewellery brands, Mauritius remains a small exporter of jewellery products world-wide with a modest visibility and recognition on international markets. To help them make the breakthrough on international markets, the third strategic objective undertakes to build reputation and recognition for Mauritian

Figure 22: The strategic framework



jewellery products through better and more effective export promotion programmes, targeted training on product and collection design, branding and product positioning measures, better compliance with quality standards, support for product diversification and easy access to trade and market intelligence for export-oriented jewellery enterprises. The implementation of this strategic objective will be linked closely to measures proposed in the branding and SME internationalization cross-sector functions of the NES.

MARKET OPPORTUNITIES

The following analysis is divided into two broad phases: one related to the immediate, short-term perspective and the other related to the medium-to-long-term outlook. This phased approach is aimed at staging interventions in alignment with the evolving capacities of the sector's trade support institutions and sector enterprises as the NES implementation moves forward.

Table 8: *Product and market opportunities*

	Existing products	New products
Existing markets	<p>Market penetration</p> <ul style="list-style-type: none"> • Expand costume jewellery portfolio • Expand silver jewellery portfolio • Take advantage of AGOA • Take advantage of FTA with EU 	<p>Product diversification</p> <ul style="list-style-type: none"> • Diamonds • Home décor • Other related products • Introduce 3D technology • Responsible/certified jewellery • Quality labelled /collectively branded jewellery
New markets	<p>Market diversification</p> <ul style="list-style-type: none"> • South Africa • China • Singapore • Australia • New Zealand • Africa • Take advantage of regional integration agreements in Africa 	<p>Full diversification</p> <ul style="list-style-type: none"> • Branded jewellery • Innovative ocean-based

SHORT-TO-MEDIUM TERM: INCREASE MARKET SHARE AND EXPAND PRODUCT PORTFOLIO IN EXISTING MARKETS

Switzerland

Switzerland is a traditional well-established market for fine jewellery. Switzerland will continue having a positive outlook for jewellery demand over the next years. Demand will be mainly driven by wealthy foreign tourists in the country, as well as Swiss consumers. The latter are expected to continue preferring fine jewellery rather than costume jewellery. Prestige and status are among the main reasons behind this preference.²² Mauritian jewellery exports to Switzerland are mostly of diamonds (not mounted or set), followed by articles of pearls and precious stones. Although, Mauritian jewellery exports of diamonds to the Swiss markets have had an outstanding growth over the past five years (322%), there is still a wide scope for expanding Mauritian exports.

- Existing products: diamonds, articles of pearls and precious stones
- New products: gold jewellery, silver jewellery

Belgium

Belgium is the fourth largest importer of diamonds (HS 7102), accounting for 14% of world imports of this product. Antwerp –the diamond district in Belgium – represents one of the biggest diamond cutting centres in the world. Belgium's imports of diamonds are fairly diversified. Its main suppliers of diamonds are UAE (17.8%), Russia (16.1%), India (12.6%), Botswana (10.1%) and China (6.6%). Belgium also represents an important market for Mauritius exports of diamonds. However, the exported value of diamonds from Mauritius to Belgium has diminished in the past few years. Given the longstanding relationship of diamond trade between both countries and Belgium's position in global diamond industry, there is significant potential to strengthen existing trade relationships.

22. Euro monitor Euromonitor (2015)b "Jewellery in Switzerland, Country Report"

Belgium also constitutes a market with great potential for Mauritius' exports of articles of jewellery, with silver jewellery, in particular (HS code 711311). Excepting Germany which accounts for 42% of Belgian imports of this product, supplying markets for this country are not concentrated, opening an opportunity for Mauritian product diversification to this market.

- Existing products: diamonds, silver jewellery
- New products: costume jewellery, home decor

France

France is a world leader in sales of jewellery. France's imports represent 5.51% of world imports for articles of jewellery and ranked sixth in world imports in 2015. Silver and gold-based jewellery in France is used in the fashion industry, being distributed through specialised retailers and designer brand stores, as well as wholesalers. Some of the French market requirements include the quality of design, competitive labour costs and freight costs. While Germany is the main supplier of silver jewellery to France, developing countries such as China and India are increasing their market share in the French market. Indeed, while France has an established reputation for classic jewellery, there is an opportunity for developing countries, such as Mauritius, to supply costume jewellery to this market²³. In this regard, although France represents one of the main markets for Mauritius' jewellery, Mauritius only accounts for less than 1% share of France's imports of this product. There is significant potential for Mauritius to increase its presence in the French market.

- Existing products: gold, jewellery, silver jewellery
- New products: diamonds, costume jewellery

Italy

Italy is another world leading country in the jewellery industry and is the leading producer of jewellery in Europe. With a strong and established market led by global demand and export trends, the Italian jewellery market's outlook is positive with opportunities for further expansion and the entrance of new players. Specifically, the costume jewellery subsector in the Italian market appears to have the biggest potential. The Italian costume jewellery market is highly influenced by fashion trends, is mostly unbranded and has quality standards. The main trade channels for market entry are either through specialised retailers or through wholesalers. Nonetheless, as the Italian market is highly fragmented, it is recommended to use the specialised wholesalers' distribution channel.²⁴ By virtue of Italy's market size potential and Mauritius' competitive advantages and traditional jewellery trade with Italy, this market offers an opportunity for Mauritian costume jewellery.

23. CBI (2015)a

24. CBI (2015)b Product Factsheet - Bridge Jewellery in Italy (2015)

- Existing products: gold, jewellery, silver jewellery
- New products: fashion jewellery, costume jewellery

United Kingdom

United Kingdom is one of the leading importers of jewellery in the world. UK is the world's fourth, fifth and ninth leading importer of gold (unwrought), articles of jewellery and diamonds, respectively. Nevertheless, costume jewellery also represents an attractive market in UK, as more consumers are leaning towards this jewellery segment. Further, the demand for costume jewellery is expected to continue increasing at higher rates than the demand for fine jewellery. It is recommended to enter this market by offering a distinct design, in spite of the lower cost of costume jewellery pieces or enter specific niche market segments, such as ethical or recyclable jewellery.²⁵ UK is a highly competitive market with high entry barriers. Market access may become a challenge for Mauritian jewellery exporters in the medium term as UK embraces Brexit,

- Existing products: silver jewellery
- New products: fashion jewellery, costume jewellery

United States of America

United States is another traditional market for jewellery products with a notable importance for diamonds trade. USA is the lead importer of diamonds (not mounted or set) and presented an annual growth rate of 4% between 2011 and 2015. Moreover, diamond jewellery accounts for 55% of total jewellery sales in this market. Some characteristics of the USA diamond market are: a high fragmentation (less than 50% of revenue is produced by the top 50 jewellery chains); a high reliance on trust in retailers, well-defined consumer's tastes, strong consumer protection policies and service quality as the leading criterion for store choice²⁶. It is expected for USA, along with China and India to continue driving diamond jewellery over the next 10 years and power the industry's growth. Further, as the USA economy continues recovering and the AGOA is expected to be renewed, Mauritius' jewellery exports to the USA have potential to scale up.

- Existing products: silver jewellery, fashion jewellery
- New products: diamonds, costume jewellery

South Africa

South Africa has a very well-established jewellery manufacturing industry, mainly based on the production of jewellery with precious stones. This is enabled by South Africa's abundant reserves of high-quality gold and diamonds. Moreover, among the African countries, South Africa is one of the economies offering the best

25. CBI (2014) Product factsheet, costume jewellery in UK

26. AWDC (2013)

perspectives for long-term growth of the luxury goods market.²⁷ South Africa is one of the main importers of Mauritian jewellery. Nevertheless, South African imports of Mauritian jewellery have declined between 2013 and 2015, particularly imports of costume jewellery. There is scope for further strengthening of trade between these countries. Moreover, Mauritius, as part of the South African Development Community (SADC), benefits from duty free access to the South African market, which is an advantage vis-à-vis non-SADC competitors.

- **Existing products:** diamonds, silver jewellery, gold jewellery, costume jewellery

MEDIUM-TERM: DIVERSIFY INTO NEW HIGH-GROWTH OR EMERGING MARKETS

Singapore

As liberalization has increased the demand for new luxury items, Singapore has become the fastest growing emerging market for diamond jewellery, ranked 10th among the largest importers of diamonds. Singapore's suppliers of diamonds are various, the most important ones being Botswana, Israel and India. As the demand for diamonds is booming in this country, Mauritius could tap into this market opportunity.

Singapore is also an increasingly important costume jewellery market, becoming the world's 11th largest importer of this product. The outlook for this market is positive for the next five years with an expected annual growth of 3%. Owing to the large market size of mid-income consumers, Singapore represents a massive opportunity for large-scale market expansion of costume jewellery. Moreover, although the online jewellery market is still being developed, Singapore offers an ideal location for online retailing because of its robust e-commerce market.²⁸ Singapore's main suppliers are led by China, Thailand, Austria and Italy. Currently, Mauritius' exports to Singapore are low and thus there is significant potential to develop export relationships.

- **Existing products:** imitation jewellery
- **New products:** diamonds, costume jewellery

China

With the rise of numbers of wealthy consumers and their high-end spending power, China constitutes one of the largest markets for the jewellery industry at the global

level. China's luxury goods market is forecasted to continue growing over 2015-2020. For the Chinese consumers, gold is the most popular material for jewellery products, owing to its intrinsic value and symbol of wealth and social status. Particular growing popularity exists for rose gold jewellery. Important requirements of Chinese consumers are also high quality and – increasingly – high value of jewellery brands. With such a huge potential for China's market for gold jewellery, there is an increasing competition between international jewellery top brands to obtain a market share. It is important to highlight that jewellery brands will expand their markets beyond first-tier cities into second- and even third-tier cities in China. The latter is driven by an increasing purchasing power in these markets and a relative ease of opening up sales channels quickly in these categories of cities.²⁹

- **Existing products:** silver jewellery, imitation jewellery,
- **New products:** diamonds, gold jewellery

Australia

Australia is a net importer of jewellery, gold unwrought and articles of jewellery being its most important imports. As in the case of New Zealand, Australia has experienced a dramatic increase of imports of costume jewellery products originating in China. Meanwhile, fine jewellery, particularly rose gold and rose-coloured jewellery with diamonds have become more popular among Australian consumers driving an increase in the use of diamonds among jewellery companies³⁰. The latter represents an opportunity for Mauritian exporters.

- **Existing products:** diamonds, fine gold and silver jewellery, costume jewellery

New Zealand

There is a significant competition in the New Zealand market for costume jewellery with China accounting for 60% of imports. However, there is a renaissance of fine jewellery with consumers. In this regard, New Zealand is a net importer of articles of jewellery and diamonds (not mounted or set). New Zealand is also manufacturer of jewellery, mainly gold jewellery products. Indeed, the most strategic point of entry to the New Zealand jewellery market seems to be rather on the high-end, fine jewellery segment.

- **Existing products:** diamonds, gold jewellery, costume jewellery

27. Global power luxury goods 2014: In the hands of the consumer

28. Aruna Gaitonde (2016). Singapore: The fastest growing emerging gem and jewellery market. Rough & Polished

29. Amar Gill and Xun Min Ip, "Fat cats in fast lanes: Surge in high net worth individuals," CLSA: Wealthy Asia, September 5, 2011.

Euromonitor (2015)

30. Euromonitor (2015)c. Jewellery in Australia, Country Report

Africa

The outlook for luxury goods market in African countries is expected to grow until 2019, as luxury goods companies begin accelerating their presence in the region. Demand for jewellery is driven by purchases of gifts and items for special occasions. At the same time the attraction for African-inspired accessories is on the rise. The African region should not be overlooked as a potential market for Mauritian jewellery.

- **Existing products:** silver jewellery, gold jewellery, costume jewellery

STRUCTURAL ADJUSTMENTS TO THE VALUE CHAIN (VALUE OPTIONS)

Unlocking latent potential of the jewellery sector will require transformation throughout the value chain. This adjustment will allow the sector to offer higher quality and higher value jewellery products more in line with global trends and international buyer preferences in the medium term and to become more export-oriented and capital-intensive in the medium-to-long term. To this end, the following options for efficiency gains, value retention, addition, creation and distribution have been identified.

Table 9 : Value options for the jewellery sector

Improving efficiency: possibilities for improving performance of the current value chain		
Value options	How to implement	Timeframe
Strengthened intra-industry cooperation	<ul style="list-style-type: none"> • Survey of what is already available in intra-industry cooperation forms and modalities. • Strengthening the Jewellery Council by improving its internal coordination and function to discuss issues affecting the sector and advocate for its interests. • Strengthen the Jewellery Council's presence in the public-private dialogue, notably in bodies responsible for regulation, investment, skills development and innovation. 	Short-term
Value retention: possibilities for local production inputs or sourcing services		
Value options	How to implement	Timeframe
Use local products from the ocean (pearls, sea shells, etc.).	<ul style="list-style-type: none"> • Partner with universities and research bodies to conduct targeted research and development on possible applications of marine products jewellery, apparel and home décor production. • Explore feasibility and potential of eco-friendly pearl farming in Mauritius. 	Short-to-medium term
Setting up an exchange for precious metals and precious and semi-precious stones.	<ul style="list-style-type: none"> • Based on a feasibility study, prepare required concept and legal framework based on world best practice, and a budget allocation. • Anchor or link precious metals and stones exchange to the current stock and commodities exchanges in Mauritius. • Promote the metals and stones stock exchange to make it a regional hub in the longer run. 	Short-to-medium term
Introduce a Gold/Silver leasing system	<ul style="list-style-type: none"> • Assess world best practice and legal models for gold/silver leasing. • Based on review, prepare required concept and legal framework and initiate steps to pass legislation and allocate budget. • Promote gold/silver leasing with enterprises. 	Short-to-medium term



Photo: Visu-cat-bijou.

Value addition : improvements in product quality and design based on current production

Value options	How to implement	Timeframe
Improve training and education in jewellery	<ul style="list-style-type: none"> • Improve technical education and vocational training in Mauritian training institutions (Jewellery School/MITI) by expanding training capacity, revising curriculums to introduce modern design and production techniques and increase resources. • Revamp and reposition apprenticeship, on-the-job and in-house training as well as continuing education. • Develop strategic partnerships in vocational training and education in jewellery with renowned jewellery and design schools in Europe and Americas to open branches in Mauritius or joint training programmes with Mauritius technical schools. 	Medium to long term
Responsible and transparent sourcing of gold, silver and gemstones	<ul style="list-style-type: none"> • Improve traceability of gold sourcing through better certification and marking and improve enforcement measures, • Encourage the private sector to adopt a responsible sourcing standards or label for gold and diamonds access to training, labelling, • Sensitise tourists to require certificates. 	Medium to long term
Develop support industries in jewellery	<ul style="list-style-type: none"> • Develop a survey of existing and necessary support functions/ industries for the jewellery and other light manufacturing sectors, • Review of new incentives provided by the Government for modernisation and upgrading of production equipment and for start-ups. • Develop incentives packages for support industries targeted at domestic and foreign investors. 	Long-term

Value creation: opportunities for product diversification and connecting to global value chains		
Value options	How to implement	Timeframe
Sourcing other precious stones from Africa (so-called corridors trading)	<ul style="list-style-type: none"> • Use the network of preferential agreements in Africa to source precious stones on a more competitive duty-free basis or to source new, otherwise unused stones, to make distinctive, unique jewellery (e.g. tanzanite). • Use consultants to assess the potential for sourcing from Africa and make contacts with sellers/markets. • Organize targeted meetings with sellers during trade missions and fairs. 	Medium to long term
Harmonization of national standards and certifications with international ones	<ul style="list-style-type: none"> • Identify the conformity requirements in regard to product testing. • Schemes for product testing (MSB, Assay Office). 	Short-to-medium term
Schemes and incentives for local and foreign investors	<ul style="list-style-type: none"> • Modernization and expansion schemes (Matching grant) - Start up - FDI Fiscal incentive packages to attract targeted investors. 	
Value distribution: opportunities for economic and social development		
Value options	How to implement	Timeframe
Integrate the unique and authentic Mauritius cultural features in modern product design	<ul style="list-style-type: none"> • Adapt training curriculums in jewellery and design schools to teach how to integrate Mauritius cultural and local features in the design of modern jewellery, apparel and fashion, home décor and furniture. 	Medium-to-long term
Make the sector more attractive to young people	<ul style="list-style-type: none"> • Offer better quality education and training opportunities in jewellery at Mauritius Institute for Training and Development/ School of Jewellery, • Offer qualified and better paid jobs in the jewellery, • Organize campaigns to promote manufacturing jobs in Mauritius targeted at youth. 	Medium-to-long term

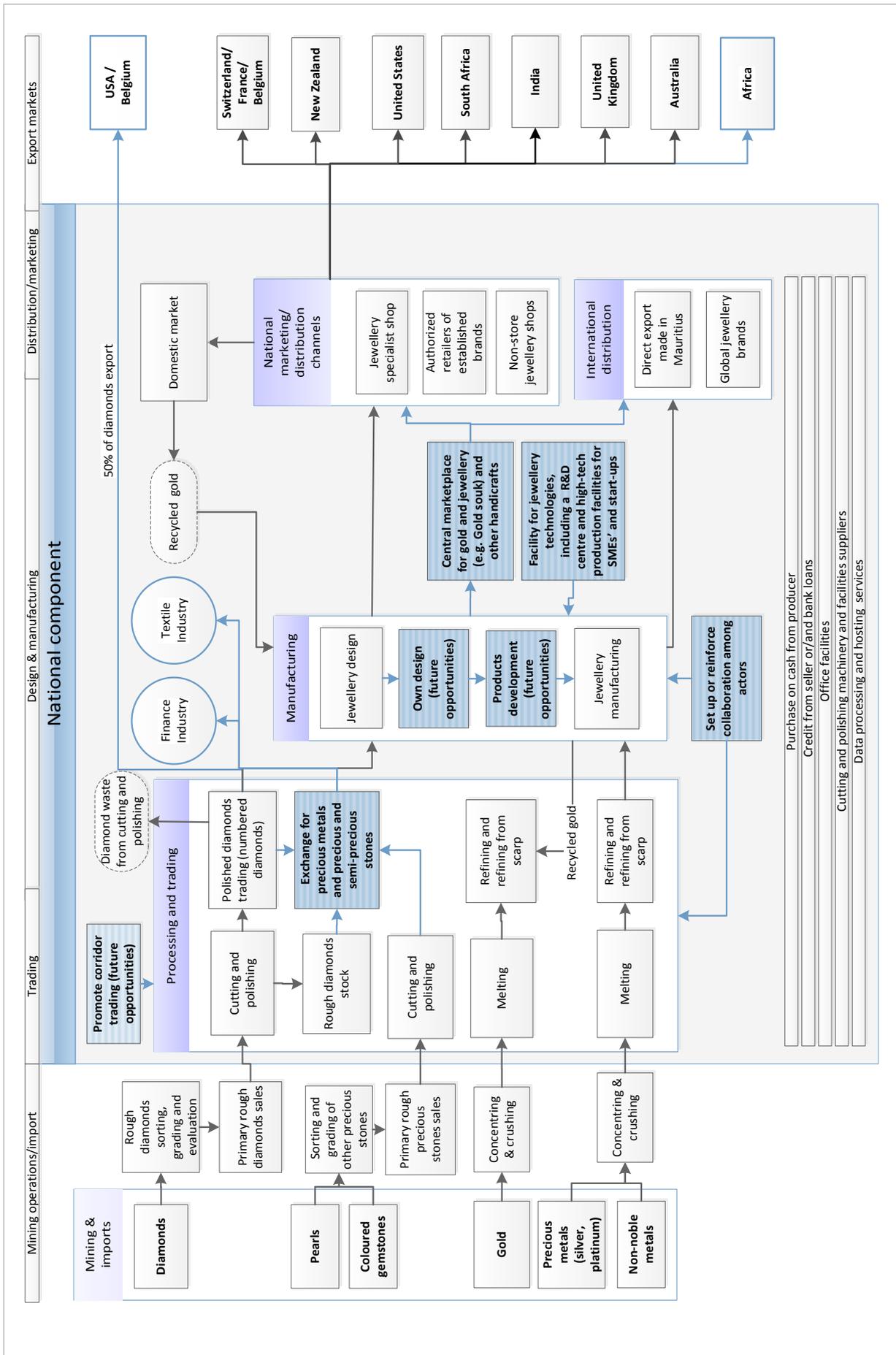
FUTURE VALUE CHAIN

Unlocking the potential of the jewellery sector will require adjustments throughout the value chain. These adjustments, as reflected in the future value chain map, are the result of targeted efforts to address the competitive constraints along the jewellery value chain and to operate structural changes aimed at achieving efficiency gains, retaining, adding, creating and distributing value in a more effective way.

Consequently, the future value chain will be characterized by:

- i. Positioning of Mauritius as a hub for trade and finance of raw materials (metals and gemstones) in jewellery global value chains,
- ii. Enhanced access to skilled labour, training and human capital development,
- iii. Stronger focus on R&D, design, product and technology innovation capabilities,
- iv. Enhanced capabilities to develop high technology and value-added production for exports,
- v. Better use of preferential market access in the USA and Europe and orientation on emerging markets in the Middle-East, Asia and Africa,
- vi. More efficient and effective collaboration and access to support industries and services within the sector.

Figure 23: Mauritius jewellery future value chain



IMPLEMENTATION MANAGEMENT FRAMEWORK

This comprehensive Jewellery Strategy, part of the NES Mauritius, endeavours to generate the conditions for a favourable expansion of the industry so as to contribute to overall socioeconomic development. Nevertheless, a strategy by itself is not enough to ensure the industry's sustainable development. Such development will require the elaboration and coordination of various activities. While the execution of these activities will allow for the strategy's targets to be achieved, success will depend on the ability of stakeholders to plan and coordinate actions in a tactical manner. Seemingly unrelated activities must be synchronized across the public sector, private sector and non-governmental stakeholder groups to create sustainable results.

Indeed, the Jewellery Strategy is not the strategy of any specific institution; rather it is the strategy of Mauritius, and to ensure its success, it is necessary to foster an adequate environment and create an appropriate framework for its implementation. The following section presents some of the key success factors considered necessary for the strategy to be implemented effectively and to achieve self-sustainability and long-lasting benefits for the country.

Establish and operationalize a public and private coordinating platform and its subsidiary organs

A key success criterion for the Jewellery Strategy is stakeholders' ability to coordinate activities, monitor progress and mobilize resources for the implementation of the strategy. It is recommended that the country establishes a sector-specific platform for public–private deliberations (under the NES Secretariat) that acts in an advisory capacity to the NES Secretariat, the Government and the private sector on issues related to or affecting the jewellery and its strategy.

The formal dialogue platform will require high-level involvement of the Trade Support Network members (public and private), as their role is crucial and will impact the effectiveness of the implementation of the strategy. Likewise, the ability of the private sector to provide inputs to the strategy implementation process will significantly influence the success of the strategy.

The stakeholders' group consulted during the design process is composed of a panel of representatives of key institutions, involving ministries and TSN members. It also comprises private sector representatives of all segments of the industry. As such, once its mandate is adjusted appropriately, this group of stakeholders is best positioned

to serve as the public–private platform responsible for the coordination of strategy implementation. It will also be required that a nominated secretariat coordinates, monitors and mobilizes resources for implementing the strategy.

The main functions of the public–private platform should be the following:

- i. Act as a consultative group pertaining to the Jewellery Strategy, enabling the private sector and Government representatives to identify priority issues;
- ii. Coordinate and monitor the implementation of the strategy by the Government, private sector, institutions or international organizations so as to ensure strategy implementation is on track;
- iii. Identify and recommend allocation of resources necessary for the implementation of the strategy;
- iv. Elaborate and recommend revisions and enhancements to the strategy so that it continues to respond best to the needs and long-term interests of the sector;
- v. Propose key policy changes to be undertaken, based on strategy priorities, and promote these policy changes among national decision makers;
- vi. Guide the secretariat in its monitoring, coordination, resource mobilization, and policy advocacy and communication functions to enable effective implementation of the strategy.

The public–private platform should be supported by a secretariat to complete the daily operational work related to implementation management of the strategy. The core responsibilities of the secretariat should be to:

- A. Support and organize the regular meetings of the public–private platform.
- B. Monitor the progress and impact of strategy implementation.
- C. Coordinate strategy implementation partners.
- D. Mobilize resources to implement the strategy.

Specific tasks falling under these broad areas of activities include:

- Formulate projects proposals, including budgets, for implementation of activities of the strategy;
- Develop annual and biennial work plans for approval by the public–private platform;
- Collect information from project implementation and prepare regular monitoring reports to be submitted to the public–private platform;
- Advocate in favour of the strategy to public and private partners;
- Execute any other tasks required by the public–private platform.

Private sector support and participation

The private sector should benefit from strategy implementation through improved productive capacities, reduced costs of doing business, facilitated administrative procedures, enhanced access to finance, etc. However, the private sector clearly expressed during the strategy design process its willingness to contribute, directly or in partnership with public institutions, to the implementation of the strategy. Their implementation efforts can range from providing business intelligence to institutions to contributing to development projects, establishing processing and transformation units, advocacy, etc. In brief, the private sector's practical knowledge of business operations is essential to ensuring that the activities of the strategy are implemented effectively.

Sensitization of implementing institutions to build ownership

The key implementing institutions detailed in the PoA need to be informed of the content of the strategy and the implications for their 2016–2020 programming. This sensitization is essential to building further ownership and it provides institutions with the opportunity to review the PoA to confirm the activities they can implement immediately and in the medium and long terms. Such a programming approach will allow for better resource allocation within the responsible agencies. This allocation can be formalized by integrating the activity of the strategy in the programme planning of the institution. While the financial dimension is often required, the human resource element is no less important.

Financial resource mobilization for implementation

While resource mobilization is only part of the solution, it plays a crucial and indispensable role in supporting strategy implementation. An integrated resource mobilization plan for the Jewellery Strategy should be elaborated as soon as the NES is adopted. Resource mobilization involves planning the sequencing of communications with donors, project design, project proposals/applications, and resources collection and management. This should facilitate, leverage and strengthen the impact of diverse sources of finance to support sustainable and inclusive implementation, including national resources, development aid and private investment.

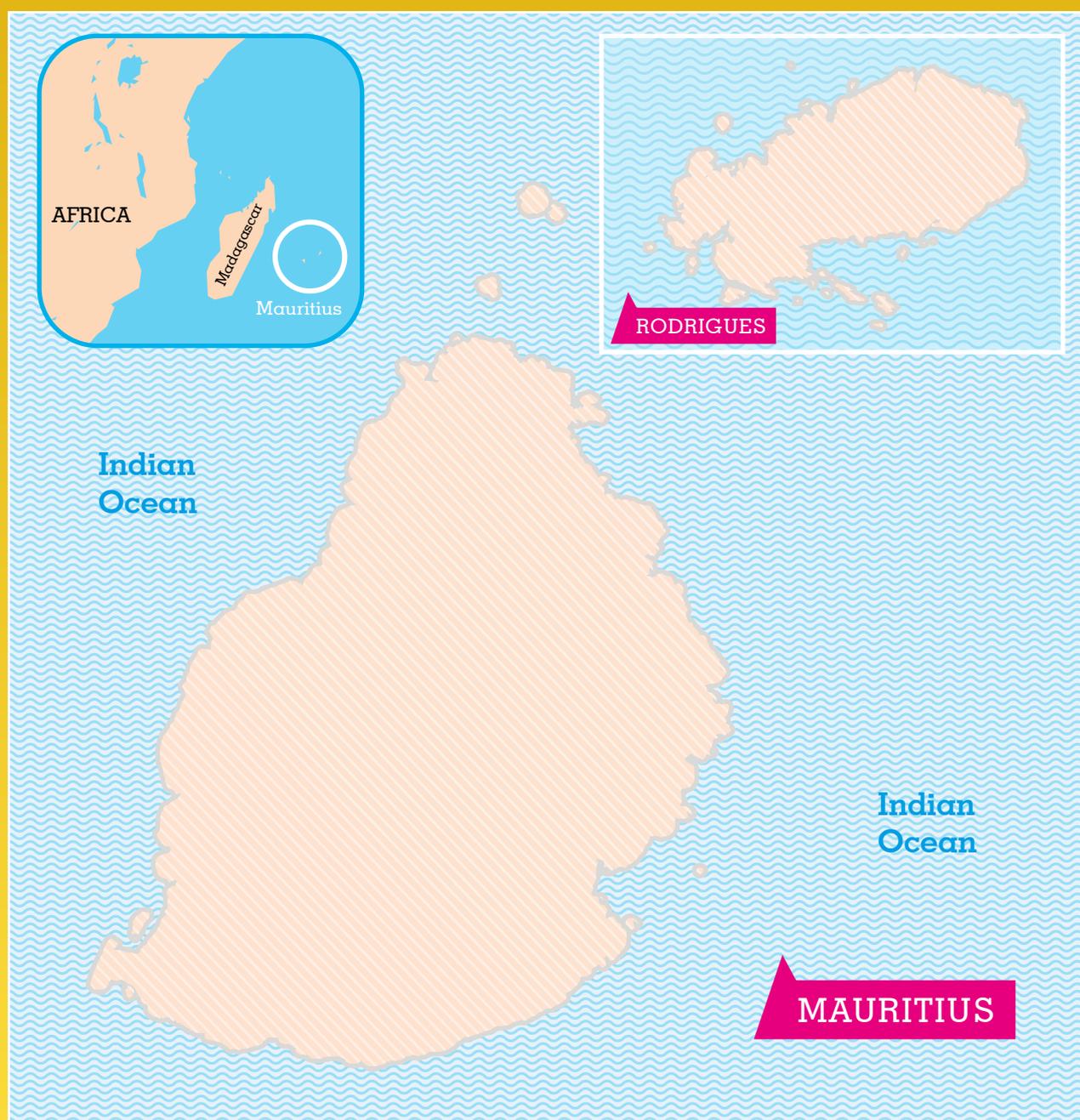
- **Alignment of donors' support and interventions with the strategy:** Besides Government initiatives in support of the jewellery sector, little attention and resources have been directed towards the jewellery industry from the international donor community. The public–private platform, together with the authorities, will have to capitalize on the significant momentum gained as part of the strategy design process and leverage it for smooth and efficient implementation. International development agencies can use the strategy as the logical framework for their programmes as they will surely benefit from its favourable conditions for operation (i.e. political endorsement, private sector buy-in and improved collaboration with national institutions). The PoA for the strategy should serve the public–private platform as well as the national institutions to improve communication and facilitate the negotiation, planning, coordination and evaluation of development aid commitments, in particular through the design of programmes and project proposals aligned with the priorities of the strategy.
- **Domestic and foreign investment:** The strategy design stakeholders' group is composed of representatives from national institutions, the TSN and the private sector. If this group becomes the public–private platform, the strategy should benefit from a solid channel of communication, capable of conveying reliable information to companies about export-related opportunities in the industry, and in turn of communicating to the Government the needs that investors have identified for successful operation. Domestic and foreign investment could be the driver of development in the priority sectors and those areas identified in the strategy as requiring support. Even so, investment must be targeted at specific prospects so that it benefits the jewellery industry's development as set forth in the "way forward" section of this strategy.
- **National resources through direct budget and support programme:** The Government will need to validate defined minimum budget support towards the implementation of the different components of the NES, including the Jewellery Strategy. This support for the strategy's activities will demonstrate the Government's commitment to the initiatives.



Photo: Cocodor.

MAURITIUS NATIONAL EXPORT STRATEGY JEWELLERY SECTOR

PLAN OF ACTION



Strategic objective 1 : Develop adequate human capital in line with industry and market needs

Operational objective	Activities	Priority 1=high 2=med 3=low	Implementation period					Beneficiaries	Targets	Lead implementer	Supporting implementers	Possible funding source
			2017	2018	2019	2020	2021					
1.1. Upgrade public vocational training in Jewellery	1.1.1. Conduct an independent assessment of the School of Jewellery and consequently upgrade the School of Jewellery to determine requirements for the upgrade of its, including training curriculums, facilities, technologies, human and financial resources, management, facilities and its training curricula.	1					MITD/School of Jewellery	Revamp the School of Jewellery	Ministry of Education and Human Resources, Tertiary Education and Scientific Research	MITD	Ministry Education Parent Ministry	
	1.1.2. School of Jewellery to develop partnerships with renowned jewellery schools in Europe and other countries for exchange of students and teachers, transfer of knowledge and technology and improving teaching standards and qualifications.	2					Students, MITD	Upgrade training programmes and skills of trainers	Ministry of Education and Human Resources, Tertiary Education and Scientific Research	MITD	Ministry Education Parent Ministry	
1.2. Enhance quality and quantity of training at enterprise-level	1.2.1. Leverage on apprenticeship scheme to foster technical training and improve technical and vocational.	1					MITD/School of Jewellery	Increase the number of students enrolled	Ministry of Education and Human Resources, Tertiary Education and Scientific Research	MITD	Ministry Education Parent Ministry	
	1.2.2. Improve and adapt technical and vocational training to new market needs and technologies; review and adapt curricula accordingly implement appropriate training programs to help jewellers produce quality products in line with market needs, curriculums accordingly.	3					MITD/School of Jewellery	Align operation of the training unit in line with the requirements of the Industry	Ministry of Education and Human Resources, Tertiary Education and Scientific Research	MITD	Ministry Education Parent Ministry	
1.3. Streamline policy to facilitate access to skilled labour	1.2.3. Develop an incentive framework as well as in-house training programs1, 2, 3. Develop incentives and support programmes for developing and enhancing in-house training by enterprises for apprenticeship, vocational and on-the-job training. Incentive types to be further defined based on best practice promoted by ILO.	2					Trainees and operators	% of training enterprises; Reduction in skills gap	Ministry of Education and Human Resources, Tertiary Education and Scientific Research	HRDC SMEDA MOI	Ministry Education Parent Ministry	
	Review the eligibility criteria for In-house training scheme of HRDC	2					Industry Operators	More jewellers to benefit from the training scheme	Ministry of Education and Human Resources, Tertiary Education and Scientific Research	HRDC	Ministry Education Parent Ministry	
1.3. Streamline policy to facilitate access to skilled labour	1.3.1. Classify jewellery as a scarcity area (short & medium term) to trigger special support measures by public authorities.	1					Industry at large	Increase Flexibility	Ministry of Labour	Employment division	NA	
	1.3.2. Work with Government to fast-track the issuance of foreign labour permits in particular in the jewellery sector.	1 (immediate)					Industry at large	Eliminate delays in production	Ministry of Labour	Employment Division	NA	

Strategic objective 2: Improve support services and access to technology and innovation for jewellery enterprises

Operational objective	Activities	Priority 1=high 2=med 3=low	Implementation period					Beneficiaries	Targets	Lead implementer	Supporting implementers	Possible funding source
			2017	2018	2019	2020	2021					
2.1. Improve communication and coordination within the sector	2.1.1. Organise biannual meetings with jewellery stakeholders to: » Assess status of the sector » Plan new activities	2					All Stakeholders	Meetings organise / 2organised four times a year	MICCP EM	Other Stakeholders		
	2.1.2. The Jewellery Advisory Council to continue its primary role of advising the Minister in promotion of the jewellery sector. Including issues affecting the sector investment, skills development and innovation. » Inward promotion of jewellery sector.	1					All stakeholders	2007 Jewellery Act amended accordingly; Increased intra-industry coordination.	MICCP	Assay Office MCCI EM Industrial and Vocational Training Board		
	2.1.3. Synergise with the Federation of Jewellers.	1					All stakeholders	Increased intra-industry coordination, Needs of jewellery industry better taken into account	Federation of Jewellers	MOICC EM SMEDA		
2.2. Promote investment for jewellery and support industries	2.2.1. Review and revamp the incentive framework provided by the Government for domestic and export oriented- enterprises to foster, start-ups, modernisation and investment.	1					Government	Development of the sector through reinvestment and increased FDI	Ministry of Finance and Economic Development / Ministry of Industry	BOI	Recurrent	
	2.2.2. Conduct targeted investment promotion campaigns and measures geared at developing specific jewellery manufacturing activities through foreign and domestic investment and incentives. To be conducted in conjunction with activity 2.2.1. above	2					Government	Increase FDI	BOI	BOI/ Ministry of Industry/ Ministry of Finance and economic development	Recurrent	
	2.2.3. Conduct a survey of existing and required support industries, functions and services for jewellery as a basis for planning, sector development (jewellery cluster) and investment promotion.	1					Government and industry		SMEDA	BOI MOI		
	2.2.4. Based on the support industries survey, conduct targeted investment promotion measures and initiatives to attract investment in support industries. To be conducted in conjunction with activity 2.2.3. above	1					Industry	Improved competitiveness	BOI			

Strategic objective 2: Improve support services and access to technology and innovation for jewellery enterprises

Operational objective	Activities	Priority 1 = high 2 = med 3 = low	Implementation period					Beneficiaries	Targets	Lead implementer	Supporting implementers	Possible funding source
			2017	2018	2019	2020	2021					
2.3. Support development of a jewellery cluster	2.3.1. Explore the opportunity of establishing a common facility for jewellery technologies at the Rose-Belle Technology Park, to include a research and development centre and high-tech production facilities for SMEs and start-ups. » Conduct a feasibility study. » Establish common joint facility. 2.3.2. In conjunction with activity 2.3.1. above, determine feasibility for the establishment of a Common facility Centre for jewellery and connected sectors and support industries (high-end textiles and leather, light engineering and manufacturing), comprising: » Joint high-tech production facilities; » Storage and logistics facilities » Showrooms and exhibition facilities.	1					Government and industry	Fostering the investment Jewellery	MOFED	BOI SMEDA		
							Government and industry	Fostering the investment Jewellery	MOFED	BOI SMEDA EM	PPP	
							Government and industry	Fostering the investment Jewellery	EM, MoFED	BOI SMEDA	PPP	
2.4. Improve access to finance	2.4.1. Introduce Gold/Silver Leasing system at competitive conditions. 2.4.2. Set up a "Mauritius International Derivatives & Commodities Exchange" (MINDEX) for the trading of gold and bullions. The exchange will also facilitate trade in diamonds and other precious metals. 2.4.3. Establish a central marketplace for gold and jewellery (e.g. Gold Souk) and other handicrafts to promote and showcase Mauritian craftsmanship in particular to tourists. » Conduct an economic feasibility study. » Based on results, establish the marketplace.	1					Industry	Improved access to finance	MoFED		Banks	
							Government and industry	Fostering the investment Jewellery	Ministry Of Financial Services Good Governance and Institutional Reforms	Bank of Mauritius MOFED BOI Banks BPML Assay Office	Budget 2016–2017	
							Industry	Improved competitiveness	Ministry of Industry –Industry Division	Ministry Of Finance /	Budgetary Measure	
	2.4.3. Introduce a 60/40 TDS matching grant scheme for technology upgrading and innovation for enterprises in the manufacturing sectors, in particular jewellery. To be conducted in conjunction with activity 1.2.1 of the innovation cross-sector strategy.	1				Industry						

Strategic objective 3: Strengthen visibility and recognition of Mauritian jewellery on international markets

Operational objective	Activities	Priority 1=high 2=med 3=low	Implementation period					Beneficiaries	Targets	Lead implementer	Supporting implementers	Possible funding source
			2017	2018	2019	2020	2021					
3.1. Improve product design	3.1.1. Strengthen and expand capacity building in design and product development for jewellery enterprises in line with international buyer and market requirements. Capacity building to be organised in incremental levels and	1					All operators in the jewellery sector	% of jewellery enterprises trained each year; Improved product quality and design	EM/School of jewellery/ Ministry of Industry	SMEDA		
	3.1.2. Provide training and capacity building to encourage integrating the local culture and identity in product design as a means for innovation, product differentiation and positioning.	2					All operators in the jewellery sector	Improved product quality and design Increased customer satisfaction through regular customer surveys.	School of Jewellery/MITD	EM, SMEDA IVTB		
3.2. Improve delivery times	3.2.1. Introduce a freight rebate scheme for exporters of jewellery. Draft and pass required legislation.	2					Industry	Delivery times shortened by %	Ministry of Finance	MOFED	2016-2017 Budget	
3.3. Expand export promotion programmes	3.3.1. Scale up exports promotion programmes in strategic target markets through increased participation in international trade fairs in Europe (JGF, Bijorfica, Vicenza, JCK) and CPP in France and USA.	1					Industry	% increase in enterprise fair participation; Increased jewellery exports	EM		Recurrent budget	
	3.3.2. Develop new export promotion programmes targeting new and emerging markets according to market opportunities and priorities identified in the Jewellery Strategy (see market development section).	2					Exporting and export-ready operators in the jewellery sector	% increase in enterprise fair participation; Increased jewellery exports	EM	MOFED Ministry of Finance	Recurrent budget	
3.4. Leverage branding for better product positioning	3.3.3. Reduce overall cost of issuing ATA Carnets to operators by » Reducing the % of value for security deposit for jewellery operators; or » Establishing a collective funding mechanism according to best practice.	2					Exporting and export-ready operators in the jewellery sector	% increase in enterprise fair participation; Increased jewellery exports	Ministry of Finance	MCCI	Recurrent budget	
	3.4.1. Support the creation or application of a quality mark for jewellery products based on compliance with quality and eligibility criteria to be defined.	2					Exporting and export-ready operators in the jewellery sector	% of enterprises certified for the quality mark; Increased jewellery exports	MSB	SMEDA, EM MAURITAS MOFED		
	3.4.2. Create a collective jewellery brand (or application of an existing one) for greater visibility, differentiation and value-addition of jewellery export products, based on Mauritian identity, authenticity, quality and know-how. » Collective brand to be used for local tourist market and on international markets in multi-brand distribution channels. » Collective brand to be linked to compliance with a quality charter to be defined.	3					Exporting and export-ready operators in the jewellery sector	Collective brand used by % of enterprises; Increased jewellery exports	EM	SMEDA, MOFED Industrial Property Office		

Strategic objective 3 : Strengthen visibility and recognition of Mauritian jewellery on international markets

Operational objective	Activities	Priority 1=high 2=med 3=low	Implementation period					Beneficiaries	Targets	Lead implementer	Supporting implementers	Possible funding source
			2017	2018	2019	2020	2021					
3.5. Increase compliance with standards	3.5.1. Harmonize national product standards and certifications with those of strategic target markets.	2					Operators in all manufacturing-related sectors	All relevant standards national aligned by 2020	MSB	SMEDA, MOFED, AMM, EM, MOI, Assay Office		
	3.5.2. Identify and map the conformity requirements in regard to product testing for strategic target markets. Improve schemes for product testing (MSB, Assay Office) at affordable prices and internationally recognised.	1					Operators in all manufacturing-related sectors	Conformity requirements mapped by 2017 Increased number of testing facilities	MSB, Assay Office	SMEDA, MOFED, AMM, EM, MOI		
	3.5.3. Obtain international recognition for MAURITAS as the national accreditation body. To be conducted in conjunction with activity 3.5.2. above	2					Operators in all manufacturing-related sectors	International recognition of MAURITAS obtained by 2017	MAURITAS	MOI		
3.6. Support product diversification	3.5.4. Responsible and transparent sourcing of gold, silver and gemstones. In particular: » Improve traceability of gold sourcing through better certification and marking. » Improve enforcement measures. » Encourage the private sector to adopt responsible sourcing standards or label for gold and diamonds access to training, labelling, » Sensitize tourists to require certificates.	2				All operators in the jewellery sector	A responsible sourcing label introduced 10% of enterprises certified a year	Assay Office, JAC, Federation of Jewellers	EM, MAURITAS, MSB, SMEDA, AMM, MyBiz			
	3.6.1. Conduct R&D, test and trials for products from sea (e.g. pearls, sea shells) to diversify products range. Conduct customer survey to gauge product awareness and demand.	3					All operators in the jewellery sector	Number of new export products % of exports value each year	MOI	SMEDA, MOI	MOFED	
3.7. Facilitate access to market information	3.6.2. Promote sourcing other precious stones from Africa (e.g. tanzanite) to diversify product offerings for local operators.	3				All operators in the jewellery sector	Number of new export products % of exports value each year	MICCP	SMEDA, MOI	MOFED		
	3.6.3. Assess diversification opportunities and feasibility for jewellery and associated products, in particular: Home decor accessories, Fine fancy jewellery, Imitation jewellery.	2				All operators in the jewellery sector	Number of new export products % of exports value each year	EM	SMEDA, MOI			
3.7. Facilitate access to market information	3.7.1. Establish a trade and market information portal for jewellery products, to provide enterprises with information about : » Market trends, » Preferential market access, » Standards and technical requirements in key markets, » Export procedures and requirements, incl. rules of origin, product conformity testing, » Business matching opportunities.	1				All operators in the jewellery sector	Trade and market information portal established by 2017 Increased market knowledge by enterprises	MICCP	EM, MAURITAS, MOFED, SMEDA, MOFED, AMM, MyBiz			

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